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**NOTE:**

The "Finance Committee" was renamed the "Budget Committee" on January 20, 1993.

The name reverted to "Finance Committee" on January 29, 1997.

The name was changed to "Finance and Labor Committee" on January 27, 1999.

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BOARD of SUPERVISORS

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NOTICE OF CANCELLED MEETING

FINANCE COMMITTEE

NOTICE IS HEREBY GIVEN that the regularly scheduled meeting of the Finance Committee for Wednesday, January 6, 1993, at 2:00 p.m., has been cancelled.

The next regular meeting of the Finance Committee will be held on Wednesday, January 13, 1993, at 2:00 p.m., in the Room 228, City Hall.

JOHN L. TAYLOR
Clerk of the Board

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# CALENDAR

## MEETING OF
## FINANCE COMMITTEE
## BOARD OF SUPERVISORS
## CITY AND COUNTY OF SAN FRANCISCO

WEDNESDAY, JANUARY 13, 1993 – 2:00 P.M. ROOM 228, CITY HALL

MEMBERS: SUPERVISORS MIGDEN, HALLINAN, ALIOTO

ABSENT: SUPERVISOR ALIOTO – ITEMS 2, 3, 5, 6, 9 – 16

CLERK: KAY GULBENGAY

NOTE: Copies of the Budget Analyst's Report will be available for review on the counter in the Office of the Clerk of the Board, Room 235, City Hall, 10:00 a.m., the date of the meeting.

## CONSENT CALENDAR

1. All matters listed hereunder constitute a Consent Calendar, are considered to be routine by the Finance Committee, and will be acted upon by a single roll call vote of the Committee. There will be no separate discussion of these items unless a member of the Committee or a member of the public so requests, in which event the matter shall be removed from the Consent Calendar and considered as a separate item.

   (a) File 146–92–77. [Grant – Federal Funds] Resolution authorizing the Department of Public Health, Community Public Health Service, Epidemiology and Disease Control, Sexually Transmitted Disease Control, to apply for a grant of $650,000, which includes indirect costs in the amount of $65,000, based on twenty percent of salaries, from the Centers for Disease Control, for the continued operation of the San Francisco Sexually Transmitted Disease Prevention and Training Center for the resident of San Francisco. (Department of Public Health)

   (b) File 146–92–78. [Grant – State/University of California Funds] Resolution authorizing the Department of Public Health, AIDS Office, to apply for a grant of $180,000, which includes indirect costs based on ten percent of the total award, from the University of California at Berkeley, Office of the President, to conduct the tobacco–related disease in HIV–Infected Homosexual Men Research Project. (Department of Public Health)

   (c) File 146–92–79. [Grant – Federal Funds] Resolution authorizing the Department of Public Health, Division of Mental Health and Substance Abuse Services, to apply for, accept and expend a grant of $175,032 which includes indirect costs in the amount of $6,732 based on four percent of the direct costs and a required match in the amount of $58,344, which is thirty–five of the direct costs, from the McKinney Path Homeless Fund Federal Formula Grant for the homeless mentally ill and the mentally ill at risk of becoming homeless; providing for ratification of action previously taken. (Department of Public Health)

(d) File 146-92-80. [Grant - Federal Funds] Resolution authorizing the Department of Public Health, AIDS Office, to apply for a continuation grant of $18,750,000, from the Health Resources and Services Administration to continue funding the Ryan White Comprehensive Aids Resources Emergency (CARE) Title I Supplemental Grant Project; waiving indirect costs. (Department of Public Health)

(e) File 146-92-81. [Grant - State Funds] Resolution authorizing the Department of Public Health, Central Administration, MIA Program, apply for, accept and expend the Fiscal Year 1992-93 allocation of up to $2,000,000, which includes indirect costs of twenty percent of personnel costs, from the State Department of Health Services for Legalized Indigent Medical Assistance (LIMA) funds under the Immigration Reform and Control Act (IRCA); providing for ratification of action previously taken. (Department of Public Health)

(f) File 146-92-82. [Grant - State Funds] Resolution authorizing the Department of Public Health, Division of Mental Health, Substance Abuse and Forensic Services, apply for, accept and expend a grant of $30,584 from the State Department of Mental Health for the primary prevention in the schools projects; providing for ratification of action previously taken and waiving indirect costs. (Department of Public Health)

(g) File 146-92-83. [Grant Subvention - State Funds] Resolution authorizing the Department of Public Health, Community Substance Abuse Services, to accept and expend a grant subvention up to the amount of $49,988, which excludes indirect costs from the State of California, Department of Alcohol and Drug Programs for the development and implementation of five-year master plan for substance abuse services in the City and County of San Francisco; waiving indirect costs. (Department of Public Health)

(h) File 192-92-7. [Grant - State Funds] Resolution authorizing the Director of the Department of Parking and Traffic to apply for, accept and expend up to $80,000 of State funds for participation in the 1993 California Department of Transportation's Fuel Efficient Traffic Signal Management (FETSIM) Program, for the Mission District Signal System. (Department of Parking and Traffic)

(i) File 100-92-1.5. [Release of Funds] Requesting release of reserved funds, District Attorney Family Support Bureau, in the of amount $37,500, for computer equipment. (District Attorney)

ACTION: Items c, e and i removed from Consent Calendar. Remainder of Consent Calendar recommended.

Item 1c, File 146-92-79. Amended on line 5 after "is" by replacing "35% of the Direct costs" with "one-third of the total grant amount" and further amended on line 17 after "is" by replacing "35% of the Direct costs" with "one-third of the total grant amount".

New Title: "Authorizing the Department of Public Health, Division of Mental Health and Substance Abuse Services, to apply for, accept and expend a grant of $175,032 which includes indirect costs in the amount of $6,732 based on four percent of the direct costs and a required match in the amount of $58,344, which is one-third of the total grant amount, from the McKinney Path Homeless Fund Federal Formula Grant for the homeless mentally ill and the mentally ill at risk of becoming homeless; providing for ratification of action previously taken."
Recommended as amended.

Item 1e, File 146-92-81, Amended on line 2 (title) after "Program" by deleting "apply for" and further amended on line 3 by replacing "20%" with "10%"; and on line 18 after "Program" by deleting "apply for"; and on line 20 by replacing "20%" with "10%".

New Title: "Authorizing the Department of Public Health, Central Administration, MIA Program, to accept and expend the Fiscal Year 1992-93 allocation of up to $2,000,000, which includes indirect costs of ten percent of personnel costs, from the State Department of Health Services for Legalized Indigent Medical Assistance (LIMA) funds under the Immigration Reform and Control Act (IRCA); providing for ratification of action previously taken."
Recommended as amended.

Item 1i, File 100-92-1.5. Release of $37,500 recommended. Filed.

REGULAR CALENDAR

2. File 203-92-2. [Quitclaim Deed] Ordinance authorizing and directing execution of quitclaim deed by City and County of San Francisco to San Francisco Community College District, of City College of San Francisco site located at Ocean Avenue and Phelan Avenue; adopting findings pursuant to City Planning Code Section 101.1. (Supervisor Shelley)

ACTION: Hearing held. Recommended.

3. File 185-92-5. [Children's Services Plan, 1993-94] Resolution approving the Children's Services Plan for the San Francisco Children's Fund in accordance with Charter Section 6.415. (Supervisor Achtenberg)

ACTION: Hearing held. Continued to February 3, 1993 meeting.

4. File 127-92-2.1. [Stadium Operator Admission Tax] Ordinance amending Part III, San Francisco Municipal Code, by amending Section 807 providing an exemption from the payment of the stadium operator admission tax, by extending for one year, through December 31, 1993, the exemption from the payment of admission taxes on tickets sold at $17.99 or less. (Supervisor Alioto)
(Cont'd from 12/16/92)

ACTION: Hearing held. Continued to call of the chair.
(Supervisor Hallinan dissented.)

5. File 188-92-1. Hearing to consider the fiscal impact of the 1987 contracts with Pacific Gas and Electric and the Modesto and Turlock Irrigation Districts for the purchase and sale of Hetch Hetchy water. (Supervisor Migden)
(Cont'd from 11/18/92)

ACTION: Hearing held. Filed.

6. File 161-92-5.1. [Redevelopment Agency Budget and Bonds] Resolution approving an amendment to the budget of the Redevelopment Agency for fiscal year 1992-93. (Supervisor Gonzalez)
(Cont'd from 12/16/92)

ACTION: Hearing held. Recommended.

7. File 127-92-10. [Fictitious Business Name Filing Requirement] Ordinance amending Part III, Municipal Code, by adding Section 75.1 to require persons filing a statement of fictitious business name pursuant to California Business and Professions Code Section 17900 et seq. to provide proof of compliance, including payment of all appropriate license fees, with all applicable sections of Article 2 of Part III of the Municipal Code. (Supervisor Kennedy)
(Cont'd from 12/30/92)

ACTION: Hearing held. Continued to call of the chair.

8. File 97-92-4. [Sale of Health Materials] Ordinance amending the San Francisco Administrative Code by adding Section 8.35 to authorize the Director of Public Health to sell health-related materials and establishing a fund for revenues derived from such sales. (Supervisor Alioto)
(Transferred from City Services Committee 12/15/92 - Fiscal Impact)
(Cont'd from 12/30/92)

ACTION: Hearing held. Amended on page 2 line 12 after "receipts" by deleting "and disbursements of the fund for the preceding year" and inserting "for the year, and a proposed plan for spending the funds available for the ensuing year, subject to the approval by the Board of Supervisors" bearing same title.
Recommended as amended.

9. File 147-92-8. [Grant - Private Corporate Funds] Resolution authorizing the City Librarian to apply for equipment valued at $405,416.85 available from the Corporate Contributions Committee of Digital Equipment Corporation for creating the AIDS Library/Information Network; waiving indirect costs. (Public Library)
(Cont'd from 12/30/92)

ACTION: Hearing held. Recommended.

10. File 62-92-3. [Coit Tower Facility Lease] Ordinance approving a five-year lease with Frederick Lo for management and operation of the Coit Tower Facility in San Francisco, California. (Recreation and Park Department)
(Cont'd from 12/30/92)

ACTION: Hearing held. Recommended.

11. File 101-92-21. [Government Funding] Ordinance appropriating $524,636, Department of Social Services, for permanent salaries and related mandatory fringe benefits and day care assistance. RO #92100 (Controller)
(Cont'd from 12/30/92)

ACTION: Hearing held. Amended on line 1 (title) by replacing "$524,636" with "$540,419"; and on line 4 after "1992-93" by inserting "ratifying action previously taken". Further amended by adding the following Section 2: "Although the City has incurred no legal obligation under the Charter, the Board of Supervisors does hereby appropriate the funds necessary for the obligation and does hereby ratify the action previously taken."
New Title: "Appropriating $540,419 for permanent salaries and related mandatory fringe benefits and day care assistance, Department of Social Services, for fiscal year 1992-93 ratifying action previously taken."
Recommended as amended.

12. File 61-92-7. [Contract Award Extension] Resolution granting extension of time for awarding San Francisco Water Department Contract No. WD-2123,CDD Machine Shop Upgrade. (Public Utilities Commission)

ACTION: Hearing held. Amended on line 3 (title) after "Granting" by inserting "retroactively" and on line 7 after "is" by inserting "retroactively".
New Title: "Granting, retroactively, extension of time for awarding San Francisco Water Department Contract No. WD-2123,CDD Machine Shop Upgrade."
Recommended as amended.

13. File 172-92-22. [Contract Modification] Resolution authorizing the Municipal Railway to modify an existing contract with Breda Costruzioni Ferroviarie S.p.A. (Public Utilities Commission)

ACTION: Hearing held. Recommended.

14. File 65-92-21. [Sublease of Property] Ordinance authorizing and approving sublease of real property located at 701 Frederick Street commonly known as the former Boys' Gym of Polytechnic High School to the Pickle Family Circus. (Real Estate Department)

ACTION: Hearing held. Recommended.

15. File 101-92-27. [Appropriations] Resolution establishing the appropriations limit for Fiscal Year 1992-93 pursuant to California Constitution Article XIII B. (Controller)

ACTION: Hearing held. Recommended.

16. File 101-92-29. [Government Funding] Ordinance appropriating $131,500, Assessor, for professional services (joint Viacom appraisal, Phase I). (Supervisor Shelley)

ACTION: Hearing held. Recommended.

City Report

CITY AND COUNTY OF SAN FRANCISCO

# BOARD OF SUPERVISORS

BUDGET ANALYST
1390 MARKET STREET, SUITE 1025
SAN FRANCISCO, CALIFORNIA 94102 • TELEPHONE (415) 554-7642

January 11, 1993

**TO:** Finance Committee

**FROM:** Budget Analyst

**SUBJECT:** January 13, 1993 Finance Committee Meeting

Item 1a - File 146-92-77

**Department:** Department of Public Health (DPH), Community Public Health Services

**Item:** Resolution authorizing the Department of Public Health, to apply for a grant of $650,000, which includes indirect costs in the amount of $65,000, based on 20% of salaries from the Centers for Disease Control.

**Grant Amount:** $650,000

**Grant Period:** April 1, 1993 to March 31, 1994

**Source of Funds:** Centers for Disease Control (CDC)

**Project:** Sexually Transmitted Disease Prevention and Training Center

**Description:** The proposed grant would be a fifth-year continuation grant from the U. S. Centers for Disease Control to the DPH to operate the San Francisco Sexually Transmitted Disease (STD) Prevention and Training Center, located at 1370 Mission Street. The Training Center is part of a national network of eleven such facilities which train medical doctors and other health care providers in diagnosis and treatment of sexually transmitted diseases (STDs) and AIDS. The San

Francisco Training Center serves health professionals throughout Region IX, which includes Arizona, California, Hawaii, Nevada, and six Pacific Islands.

The DPH reports that the Training Center would provide at least 500 hours of training for at least 500 health professionals in the 1993-94 grant period.

**Required Match:** None

**Indirect Costs:** $650,000

**Comments:** 1. The proposed $650,000 grant amount is $200,150 more than the $449,850 allocated to the City in 1992-93. The DPH reports that additional funds are being requested to pay for salary increases, computer equipment, honoraria for outside lecturers and for the development of instructional videotapes. The DPH will provide a detailed budget for the proposed $650,000 grant at the time the Department submits its request to the Board of Supervisors for acceptance and expenditure of these grant funds.

2. A Disability Access Checklist has been prepared for this project by the DPH and is on file with the Clerk of the Board.

3. A Summary of Grant Request will be provided by the DPH at the time the Department submits its request to the Board of Supervisors for acceptance and expenditure of the proposed grant.

**Recommendation:** Approve the proposed resolution.

Item 1b - File 146-92-78

**Department:** Department of Public Health (DPH), AIDS Office

**Item:** Resolution authorizing the Department of Public Health to apply for a new grant of $180,000, which includes indirect costs based on 10% of the total grant award, from the University of California at Berkeley.

**Grant Amount:** $180,000

**Grant Period:** July 1, 1993 to December 31, 1994

**Source of Funds:** State funded University of California at Berkeley Tobacco-Related Disease Research Program

**Project:** Tobacco-Related Disease in HIV-Infected Homosexual Men Research Project

**Description:** The DPH reports that since 1983, the DPH, AIDS Office, and the Centers for Disease Control (CDC), through cooperative agreements, have conducted epidemiological, clinical and laboratory follow-up studies of HIV infection and AIDS in the San Francisco City Clinic Cohort Study. The DPH is proposing to enhance these research activities with a separate grant from the State-funded University of California at Berkeley Tobacco-Related Disease Research Program to specifically evaluate the association between cigarette smoking and clinical and immunological outcomes in HIV-infected homosexual men.

**Required Match:** None

**Indirect Costs:** $18,000 (based on 10% of the total grant award). This is the maximum amount permitted for this grant under State guidelines.

**Comments:** 1. As of the writing of this report, the DPH had not developed a detailed budget for the expenditure of the proposed grant funds. The DPH advises that budget details will be submitted at the time the Department requests Board of Supervisors approval for the acceptance and expenditure of these grant funds.

2. A Disability Access Checklist has been prepared by the DPH for the proposed project and is on file with the Clerk of the Board.

3. A Summary of Grant Request will be submitted by the DPH at the time the Department requests Board of Supervisors approval for the acceptance and expenditure of the proposed grant.

**Recommendation**: Approve the proposed resolution.

Item 1c - File 146-92-79

**Department:** Department of Public Health

**Item:** Resolution authorizing the Department of Public Health, Division of Mental Health and Substance Abuse Services, to apply for, accept and expend a grant of $175,032, which includes indirect costs in the amount of $6,732 based on 4 percent of the direct costs, and which includes a required match in the amount of $58,344 based on 35 percent of the direct costs, from the McKinney Path Homeless Fund Federal Formula Grant for the homeless mentally ill and the mentally ill at risk of becoming homeless; providing for ratification of actions previously taken.

**Grant Amount:** $175,032

**Grant Period:** July 1, 1992 through June 30, 1993

**Source of Funds:** California Department of Mental Health Services

**Project:** Outreach and case management services for the homeless mentally ill.

**Description:** The proposed resolution would authorize the Department of Public Health, Division of Mental Health and Substance Abuse Services (DPH), to apply for, accept and expend retroactively a grant of $175,032 from the California Department of Mental Health for services to homeless mentally ill residents of San Francisco.

The proposed grant funds would be used to support outreach, referral, case management, and mental health treatment services for mentally ill persons who are homeless or at risk of becoming homeless. Services would be provided jointly by the South of Market Outpatient Clinic, a City-operated mental health facility, which provides mental health treatment and support services, and Swords to Plowshares, a non-profit agency serving San Francisco veterans, which will provide mental health case management, counseling, and referral services for its clients.

**Budget:** South of Market Outpatient Clinic

| Personnel | FTE | Amount |
|---|---|---|
| Program Director | 0.23 | $17,072 |
| Psychiatrist | 0.33 | 30,731 |
| Clinical Psychologist | 0.18 | 11,097 |
| Pharmacist | 0.22 | 13,658 |

| | | | |
|---|---|---|---|
| Registered Nurse | 0.23 | 12,804 | |
| Subtotal | 1.19 | 85,362 | |
| Fringe Benefits (approximately 32 percent) | | 26,956 | |
| Subtotal: South of Market Outpatient Clinic | | | $112,318 |

Swords to Plowshares - Contractual Services

| Personnel | FTE | Amount | |
|---|---|---|---|
| Human Services Program Director | 0.65 | $26,615 | |
| Peer Counselor | 1.00 | 29,367 | |
| Subtotal: Swords to Plowshares | 1.65 | | 55,982 |
| Total Direct Costs | | | $168,300 |
| Indirect Costs (4 percent) | | | 6,732 |
| Total Grant Amount: | | | $175,032 |

**Required Match:** DPH reports that the terms of the grant include a required match of $58,344, which is equal to one-third of the total grant amount of $175,032 (see Comment 1).

**No. of Persons Served:** The South of Market Outpatient clinic will provide case management and treatment services to 80 homeless mentally ill persons; Swords to Plowshares will conduct outreach to 800 homeless veterans and case management services to approximately 20 mentally ill veterans.

**Indirect Costs:** According to DPH, the grant includes indirect costs in the amount of $6,732, based on 4 percent of total direct costs of $168,300.

**Comments:** 1. The proposed grant includes a required match of $58,344, which is equal to one-third of the total grant amount of $175,032. DPH reports that the local match will consist of in-kind services provided at the South of Market Outpatient Clinic by a Psychiatric Social Worker who is a Civil Service employee. The budgeted 1992-93 salary and fringe benefit cost of the Psychiatric Social Worker is approximately $60,135, which exceeds the required match by approximately $1,791.

2. The proposed resolution states that a local match is required in the amount of $58,344, based on 35 percent of total direct costs of $168,300. However, 35 percent of $168,300 is

equal to $58,905, rather than $58,344 as stated in the proposed resolution.

Mr. Bill McConnell of DPH states that the local match should be calculated as one-third of the total grant amount of $175,032, which is equal to $58,344. Therefore, the title and body of the proposed resolution should be amended to reflect that the required match is calculated as one-third of the total grant amount of $175,032, rather than 35 percent of direct costs of $168,300.

2. DPH reports that Swords to Plowshares will provide contractual services under a sole source contract. Mr. McConnell indicates that Swords to Plowshares was selected to provide mental health services and outreach to homeless veterans under the grant program when the grant funds first became available approximately five years ago, because Swords to Plowshares was already providing these types of services to veterans in San Francisco.

3. DPH reports that expenses have already been incurred against the proposed grant funds for 1992-93. According to DPH, the application materials for the proposed grant were not issued by the State of California until September, 1992, with an application deadline of November 16, 1992. It was therefore impossible for DPH to apply for the proposed grant before expenses were incurred beginning July 1, 1992. Therefore, the proposed resolution would ratify actions previously taken.

4. Attached is the Summary of Grant Request submitted by DPH.

5. Disability access checklists for the South of Market Outpatient Clinic and Swords to Plowshares are on file with the Board of Supervisors.

**Recommendations:** 1. Amend the title of the proposed resolution at lines 5-6, and the body of the proposed resolution at lines 16-17 by substituting the words, "one-third of the total grant amount of $175,032" for the words, "35 percent of the direct costs" (which are $168,300), in order to correctly state the formula for calculating the required match of $58,344 under the proposed grant.

2. Approve the proposed resolution, as amended.

No. _____ Health Commission - Summary of Grant Request Rev. 4/10/90

Grantor: McKinney PATH Federal Formula Grant thru State Department of Mental Health
Division: Mental Health & Substance Abuse
Contact Person: Muriel Karp
Section: Planning & Evaluation
Address: Dept. of Mental Health, Adult Services Branch, 1600 - 9th St., Rm. 250, Sacramento, CA 95814
Contact Person: Sherry Barto
Telephone: 255-3437
Amount Requested: $ 175,032
Application Deadline: 11/16/92
Term: From 7/1/92 To 6/30/93
Notification Expected: _____
Health Commission _____ Board of Supervisors: Finance Committee _____
Full Board _____

I. Item Description: (Check appropriate words)
Request to apply for, accept and expend a continuation grant in the amount of $ 175,032 from the period of 7/1/92 to 6/30/93 to provide information, referral, mental health treatment, case management and staff training. services.

II. Summary: (Concisely and clearly describe purpose of proposed service and provision)
CMHS has received McKinney PATH funds from the State Dept. of Mental Health (DMH) since 1991 to provide services to the homeless mentally ill. This grant funds staff at the S.O.M. Outpatient Clinic (Civil Service) who provide assessment, treatment, & case management to 80 homeless and at Swords to Plowshares (contract) who provide outreach to 200 homeless vets & case management to 20 mentally ill vets. This grant has already been included in the CMHS budget for FY92-93 based on information from DMH.

III. Outcomes/Objectives:
S.O.M. Outpatient Clinic: 1) Not more than 5% will be hospitalized. 2) 60% will move to more stable housing in 3 months. Swords to Plowshares: 1) Refer 200 to services. 2) Case Managed clients a) Will be linked to treatment b) Not more than 2 will be hospitalized c) Will obtain housing and maintain it for 6 mo.

IV. Effects of Reduction or Termination of These Funds:
For this fiscal year, City would pay for services already delivered and future services would be reduced and staff cut.

V. Financial Information:

| | Col. A Two Years Ago | Col. B Past Year/Orig. | Col. C Proposed | Col. D Change | Req. Match | Approved by |
|---|---|---|---|---|---|---|
| Grant Amount | N.A. | 175,032 | $175;032 | | $58,344 | |
| Personnel | | 168,300 | 112,319 | | | |
| Equipment | | | | | | |
| *Contract Svc. | | | 55,982 | | | |
| Mat. & Supp. | | | | | | |
| Facilities/Space | | | | | | |
| Other | | | | | | |
| Indirect Costs | | 6,732 | $6,732 | | | |
| VI. Data Processing (costs included above) | | | | | | |
| VII. Personnel | | | | | | |
| F/T CSC | | 2.4 FTE | 1.19 FTE | | | |
| P/T CSC | | | | | | |
| Contractual | | 2.2 FTE | 1.65 FTE | | | |

Source(s) of non-grant funding for salaries of CSC employees working part-time on this grant:
Funding for the South of Market Clinic comes from the State Dept. of Mental Health, MediCal, MediCare, patinet fees & insurance, county general funds.

Will grant funded employees be retained after this grant terminates? If so, How?
Will depend on the availability of state funding under realignment and county general funds.

VIII. Contractual Services: Open Bid _____ Sole Source X* (If sole source, attach Request for Exemption Form)

*The CMHS contract with Swords to Plowshares has already been renewed for FY92-93.

Item 1d - File 146-92-80

**Department:** Department of Public Health (DPH), AIDS Office

**Item:** Resolution authorizing the Department of Public to apply for a continuation grant of $18,750,000 from the Health Resources and Services Administration, and waiving indirect costs.

**Grant Amount:** $18,750,000

**Grant Period:** April 4, 1993 to April 3, 1994

**Source of Funds:** U. S. Department of Health and Human Services (DHHS), Health Resources and Services Administration (HRSA)

**Project:** The Ryan White Comprehensive AIDS Resources Emergency (CARE) Title I Supplemental Grant Project

**Description:** The proposed grant funds would be used to continue to support the five-year Ryan White (CARE) Title I Supplemental Grant Project. These grant monies provide disaster relief assistance to localities that are disproportionately affected by the AIDS epidemic.

The breakdown of these funds into a comprehensive disaster relief budget is the responsibility of the HIV Health Services Planning Council, a body whose twenty-eight members are appointed by the Mayor. The funding priorities as set by the Planning Council, which are based on guidelines established by HRSA, would continue to be as follows:

| | |
|---|---|
| Housing and residential care | 30% |
| Support services (i. e., psychosocial, benefits counseling, food, and advocacy programs) | 20% |
| Early HIV intervention services | 15% |
| AIDS/HIV Drug Program | 10% |
| Case management activities | 10% |
| Institutionally-based care (acute and long term) | 10% |
| Administrative costs for program coordination (maximum) | 5% |
| | 100% |

**Required Match:** None

**Indirect Costs:** None - The DPH reports that Federal guidelines prohibit the use of these grant funds for payment of indirect costs. Therefore, the proposed legislation requests that indirect costs be waived.

**Comments:** 1. As of the writing of this report, the DPH had not developed a detailed budget for the expenditure of the proposed grant funds. The DPH advises that budget details will be submitted at the time the Department requests Board of Supervisors approval for the acceptance and expenditure of these grant funds.

2. A Disability Access Checklist has been prepared by the DPH for the proposed project and is on file with the Clerk of the Board.

3. A Summary of Grant Request will be submitted by the DPH at the time the Department requests Board of Supervisors approval for the acceptance and expenditure of the proposed grant.

**Recommendation:** Approve the proposed resolution.

Item 1e - File 146-92-81

**Department:** Department of Public Health (DPH), Central Administration

**Item:** Resolution authorizing the Department of Public Health to apply for, accept and expend an allocation of up to $2,000,000, which includes indirect costs of 20 percent of personnel costs, from the State Department of Health Services, and providing for ratification of action previously taken.

**Amount:** Up to $2,000,000

**Time Period:** July 1, 1992 to June 30, 1993

**Source of Funds:** Federal funds through the State Department of Health Services Legalized Indigent Medical Assistance (LIMA) Program

**Project:** Medically Indigent Adult (MIA) Program

**Description:** The proposed State allocation of LIMA funds would reimburse the City for the provision of Medically Indigent Adult Program health care services to persons who are eligible for aid pursuant to Welfare and Institutions Code Section 1700 and are legalized aliens under the provisions of the Immigration Reform and Control Act of 1986 (IRCA).

The State would allocate LIMA funds to reimburse the City for the provision of primary care services to eligible medically indigent legalized aliens based on quarterly cost reports to be submitted by DPH. Reimbursable costs include health services which are not covered by MediCal such as non-emergency services or non-pregnancy related services. The primary care services are largely provided through San Francisco General Hospital.

**Indirect Costs:** 20 percent of personnel costs

**Comments:** 1. The DPH reports that for FY 1992-93, the Department did not budget any monies for LIMA revenues because the State has informed the City that there are currently no LIMA funds available to reimburse counties in FY 1992-93. Mr. Fred Milligan of the DPH advises that this legislation is being submitted to the Board of Supervisors for approval in the event that LIMA funding should become available this fiscal year. Mr. Milligan states that if LIMA funds are not allocated to the City in FY 1993-92, DPH would continue to

provide services to eligible legalized aliens under the MIA Program, which is funded by General Fund monies.

2. The DPH advises that the proposed legislation incorrectly includes a request to apply for the proposed State allocation. According to DPH, the proposed State allocation, in contrast to a State grant, is a direct allocation of funds and does not require that the City submit an application to the State. Therefore, the proposed legislation should be amended to delete the reference to "apply for" in the title and in the body of this legislation.

3. Additionally, the body and the title of the legislation includes language stating that the allocation includes indirect costs in the amount of 20 percent of personnel costs. According to the DPH, the actual amount of indirect costs included in the allocation is 10 percent of personnel costs. As such, the body and the title of the proposed legislation should be amended to provide for indirect costs of 10 percent of personnel costs instead of 20 percent.

4. As noted above, the allocation has an effective date of July 1, 1992. The DPH reports that expenditures have been incurred against the General Fund that could be reimbursed should LIMA funding become available. As such, the legislation provides for the ratification of action previously taken.

**Recommendations**

1. Amend the proposed legislation to delete the reference to "apply for" in the title and body of the legislation.

2. Amend the body and title of the proposed legislation to provide for indirect costs of 10 percent of personnel costs instead of 20 percent.

3. Approve the proposed legislation as amended.

Item 1f - File 146-92-82

**Department:** Department of Public Health

**Item:** Resolution authorizing the Department of Public Health, Division of Mental Health, Substance Abuse, and Forensic Services, to apply for, accept, and expend a grant of $30,584 from the California Department of Mental Health for the Primary Prevention in the Schools project; providing for ratification of actions previously taken and waiving indirect costs.

**Grant Amount:** $30,584

**Grant Period:** July 1, 1992 through June 30, 1993

**Source of Funds:** California Department of Mental Health

**Project:** Primary Prevention in Schools

**Description:** The Primary Prevention in Schools Project is a collaborative effort between the San Francisco Unified School District (SFUSD) and the Department of Public Health (DPH) to enhance self-esteem in young children who exhibit or who are at risk of behavioral problems. The program provides screening and assessment, early detection, and mental health intervention for children in grades K-3.

The local Primary Prevention in Schools Project is part of the State of California's Primary Intervention Program (PIP), which will provide the proposed grant funds. The PIP program is intended to reduce anti-social behaviors, dependency on welfare programs, and serious emotional disorders among children at-risk, to reduce inappropriate classroom behaviors such as aggressiveness and inattentiveness, and to enhance children's attendance and performance at school. The California Department of Mental Health has recommended that the PIP program be implemented in every State elementary school.

The proposed PIP grant would provide $30,584 to DPH, as fiscal agent for the grant funds, to extend the Primary Prevention in Schools Project operated by SFUSD and DPH to two additional elementary schools (Edison and Commodore Stockton). The proposed grant funds would be used to fund a contract with the Edgewood Children's Center, a non-profit agency, to provide school-based screening and counseling services for children at risk.

**Budget:**

Contractual Services

| | |
|---|---|
| School-based Child Aides | $23,710 |
| Fringe Benefits (14 percent) | 3,320 |
| Supplies | 1,000 |
| Travel | 1,304 |
| Data Collection | 1,250 |
| Total Grant Amount | $30,584 |

**Required Match:** DPH and SFUSD are required to provide a local match at least equal to the proposed grant amount of $30,584, in order to provide at least 50 percent of the total project budget. The local match can consist of in-kind services. SFUSD will provide in-kind services of $41,116, and DPH will provide in-kind clinical consultations through two district mental health centers at an estimated cost of $4,377, for a total local match of $45,493.

**Indirect Costs:** According to DPH, the California Department of Public Health does not allow indirect costs for this grant.

**Comments:** 1. In early 1992, DPH and SFUSD applied to the State for funds available under AB 1650, a new State funding source for school-based mental health programs, in order to expand the local Primary Prevention in Schools project to two additional elementary schools. Under the terms of AB 1650, SFUSD would have been the fiscal agent for the grant funds, and approval of the Board of Supervisors to apply for, accept, and expend the grant funds would not have been required. Subsequently, the State Department of Public Health advised SFUSD and DPH that grant funds would be made available for the two additional elementary schools through the existing PIP grant program, which requires that DPH be the fiscal agent for the grant funds.

Since DPH, not SFUSD, will be the fiscal agent for the grant funds, and since expenditures have already been incurred to provide primary mental health intervention services in the two additional elementary schools, DPH has requested that approval by the Board of Supervisors to apply for, accept, and expend the proposed grant funds apply retroactively to July 1, 1992. Therefore, the proposed resolution would ratify actions previously taken.

2. The proposed grant amount of $30,584 would fund contractual services provided by the Edgewood Children's Center to provide school-based mental health intervention

services. According to Ms. Nancy Presson of DPH, the Edgewood Children's Center submitted a Request for Proposal to provide mental health intervention services in San Francisco elementary schools at the inception of the State PIP program approximately six years ago, and, under the proposed grant, would provide similar services to the two additional elementary schools through a sole-source contract with DPH.

3. Ms. Presson states that the DPH required match would consist of in-kind services provided by mental health clinicians at two district mental health centers, at an estimated cost of $4,377. Ms. Presson states that the cost of the clinicians' services for the Primary Prevention in Schools project are included in the DPH 1992-93 budget, and no additional funds would be needed to fund the DPH in-kind contribution for the proposed grant.

4. Ms. Presson states that of the 78 elementary schools and 34 pre-schools in San Francisco, only four schools (Paul Revere, Sanchez, Leonard Flynn, and Las Americas) are currently participating in the Primary Prevention in Schools project. The proposed grant funds would finance the addition of the Edison and Commodore Stockton Elementary Schools to the program. In addition, Ms. Presson states that SFUSD has separately received State grant funds in 1992-93 to finance the expansion of the program to the Raphael Weill Elementary School.

5. A copy of the Summary of Grant Request submitted by DPH is attached.

6. Disability Access Checklists for Edison and Commodore Stockton Elementary Schools are on file with the Board of Supervisors.

**Recommendation:** Approve the proposed resolution.

Grantor State Dept. of Mental Health
Contact Person Deborah Johnson
Address 1600 Ninth Street
Sacramento, CA 95814
Amount Requested $ 36,911
Term: From 7/1/92 To 6/30/93
Health Commission _____ Board of Supervisors: Finance Committee _____
Full Board _____

Division Mental Hlth. Subs. Abuse & Forens
Section Child, Adolescent, Family
Contact Person Nancy Presson, MPH
Telephone 415-255-3632
Application Deadline March 15, 1992
Notification Expected N/A

I. Item Description: (Check appropriate items)
Request to (apply for) (accept and expend) a (new) (continuation) (allocation) (augmentation to a) grant in the amount of $ 30,584 from the period of 7/1/92 to 6/30/93 to provide mental health primary prevention services.

II. Summary: (Describe services and activities; number of people served; services and provider)
Primary Intervention in Schools Project is a school-based, early detection and mental healt intervention program focused primarily on K-3 students in public schools. The grant would fund this program for the Edison and Commodore Stockton Schools. Services would be provide through a contract with Edgewood Children's Center, a non-profit organization, with in-kind services provided by SFUSD and DPH's CMHS. This is a three-year grant.

III. Outcomes/Objectives:
1) All children enrolled in Edison and Commodore Stockton Schools in grades K-3 will be screened for the program. 2) Approximately 80 children will be seen in once-per-week sessions by counselors for each of two school semesters.

IV. Effects of Reduction or Termination of These Funds:
Two elementary schools would not receive these prevention services.

V. Financial Information:

| | Col. A Two Years Ago | Col. B Past Year/Orig. | Year 1 Col. C Proposed | Col. D Change | Req. Match | Approved by |
|---|---|---|---|---|---|---|
| Grant Amount | 0 | 0 | 30,584 | 0 | | |
| Personnel | | | | | | |
| Equipment | | | 0 | | | |
| Contract Svc. | | | 30,584 | | | |
| Mat. & Supp. | | | 0 | | | |
| Facilities/Space | | | | | | |
| Other | | | | | | |
| Indirect Costs | | | | | | |
| VI. Data Processing (costs included above) | N/A | N/A | N/A | N/A | | |
| VII. Personnel | | | | | | |
| F/T CSC | 0 | 0 | 0 | 0 | 0 | |
| P/T CSC | 0 | 0 | 0 | 0 | 0 | |
| Contractual | | | 2.50 | | | |

Source(s) of non-grant funding for salaries of CSC employees working part-time on this grant:
Not applicable

Will grant funded employees be retained after this grant terminates? If so, How?
If SFUSD and DMSF have funds, the costs of this program will be picked up by both departments jointly.

VIII. Contractual Services: Open Bid _____ Sole Source _____ (If sole source, attach Request for Exemption Form)
The services will be provided through a CMHS contract with Edgewood Children's Center, which responded to a State RFP and was awarded the grant. CMHS is the administrator per State requirements.

Item 1g - File 146-92-83

**Department:** Department of Public Health (DPH)
Community Substance Abuse Services (CSAS)

**Item:** Resolution authorizing the Department of Public Health to accept and expend a grant subvention up to the amount of $49,988, from the State of California, Department of Alcohol and Drug Programs, and waiving indirect costs.

**Grant Amount:** Up to $49,988

**Grant Period:** July 1, 1992 to June 30, 1993

**Source of Funds:** State Department of Alcohol and Drug Programs

**Project:** The development of a five-year master plan for substance abuse services in San Francisco.

**Description:** The proposed grant would fund the third-year of the development of a five-year master plan to reduce alcohol and drug abuse in San Francisco. The DPH proposes to use these grant funds to (1) develop recommendations and findings for the plan, based on a needs assessment conducted last year, (2) write the master plan, and (3) procure public review and approval of the master plan and develop a strategy for its implementation.

The proposed grant is being made pursuant to Senate Bill 2599, which was enacted by the State Legislature in September of 1998. SB 2599 provides for the development of five-year State and County master plans in order to maximize resources for drug and alcohol abuse programs and identify funding priorities for the State. The DPH reports that the addition of Division 10.6 to the State Health and Safety Code provides the State with the authority to provide allocations to counties which develop County master plans. The DPH also reports that a percentage of future State Alcohol and Drug Program funding will be set aside to fund priority alcohol and drug services only to those counties with State-approved five-year County master plans.

The DPH will continue to contract, on a sole source basis, with the Friendship House Association of American Indians, Inc., a non-profit agency, for assistance in writing and procuring public approval for the master plan. Friendship House was selected because of its knowledge and training expertise in the area of alcohol abuse.

**Budget:**

Contractual Services - Friendship House Association of American Indians, Inc.

| | |
|---|---|
| Personnel: | |
| Master Plan Coordinator | $38,312 |
| Operating Expenses: | |
| Clerical Services | $5,000 |
| Graphics | 1,000 |
| Travel | 178 |
| Meetings | 100 |
| Administrative Overhead | 5,398 |
| Total | $49,988 |

**Required Match:** None

**Indirect Costs:** None - The State Department of Alcohol and Drug Programs does not allow the use of grant funds for indirect costs. Therefore, the proposed legislation requests that indirect costs be waived.

**Comments:**

1. As noted above, the proposed grant period began on July 1, 1992. Therefore, the proposed legislation should be amended to authorize the DPH to accept and expend the funds retroactively. The DPH reports that Friendship House has continued to provide services for the development of the five-year master plan and the proposed grant funds would be used to reimburse Friendship House for their services.

2. The DPH advises that the State required that the City submit an application only for the first-year funding of this project. Therefore, the DPH is not requesting authorization from the Board of Supervisors to apply for the proposed grant.

3. The proposed grant award of $49,988 is $4,165 or approximately 7.7 percent less than the FY 1991-92 grant award of $54,153.

4. The DPH has prepared a summary of the proposed grant, which is attached.

5. A Disability Access Checklist has been prepared by the DPH for the proposed project and is on file with the Clerk of the Board.

**Recommendation:** Approve the proposed resolution.

Item No. _____ Health Commission - Summary of Grant Request Rev. 4/1/90

Grantor: State of California, Department of Alcohol and Drug Programs
Contact Person: Merle Yamasaki
Address: 1700 "K" Street
Sacramento CA 95814
Amount Requested: $ 49,988
Term: From 7/1/92 To 6/30/93
Health Commission _____ Board of Supervisors: Finance Committee _____
Full Board _____

Division: Mental Health, Substance Abuse and Forensic Services
Section: Community Substance Abuse Services
Contact Person: Wayne Clark, Ph.D.
Telephone: 255-3500
Application Deadline: N/A
Notification Expected: N/A

I. Item Description: Request to accept and expend a subvention from the State of California, Department of Alcohol and Drug Programs in the amount of $49,988 for the period of July 1, 1992 to June 30, 1993 to create a comprehensive 5-year master plan for substance abuse treatment services in San Francisco.

II. Summary:
The State of California Dept. of Alcohol and Drug Programs subvened funds directly to the Department of Public Health (please refer to attached "Notice of Allocation" dated February 28, 1992) to develop and implement a five-year master plan for substance abuse services in San Francisco. These planning services for this third year include developing recommendations and findings based on last year's needs assessment, writing the master plan, procuring public review and approval of the plan and developing a plan for implementation.

III. Outcomes/Objectives:
The outcome objective of year three of this planning project is to write the five-year master plan for substance abuse treatment services for the City and County of San Francisco and procure public approval.

IV. Effects of Reduction or Termination of These Funds:
This special subvention may terminate at the end of this fiscal year. The contract staff hired for this project are aware of the funding and time limitation for this project and are prepared to seek other employment following project termination.

V. Financial Information:

| | Col. A Two Years Ago | Col. B Past Yr./Orig. | Col. C Proposed | Col. D Change | Req. Match | Approved by |
|---|---|---|---|---|---|---|
| Grant Amount | $99,975 | $54,153 | $49,988 | ($4,165) | N/A | N/A |
| Personnel | -0- | -0- | -0- | -0- | | |
| Equipment | -0- | -0- | -0- | -0- | | |
| Contract Svc. | $99,975 | $54,153 | $49,988 | ($4,165) | | |
| Mat. & Supp. | -0- | -0- | -0- | -0- | | |
| Facilities/Space | -0- | -0- | -0- | -0- | | |
| Other | -0- | -0- | -0- | -0- | | |
| Indirect Costs | * | * | * | * | | |
| VI. Data Processing | | | | | | |
| (costs included above) | -0- | -0- | -0- | -0- | | |
| VII. Personnel | | | | | | |
| F/T CSC | -0- | -0- | -0- | -0- | | |
| P/T CSC | -0- | -0- | -0- | -0- | | |
| Contractual | 2 | 1 | 1 | -0- | | |

*The State of California doesn't allow indirect costs on its subventions. However 10% of all subvened funds is taken by the City and County of San Francisco for program administration.

Source(s) of non-grant funding for salaries of CSC employees working part-time on this grant: Not applicable.

Will grant funded employees be retained after this grant terminates? If so, How?
No; grant-funded contractor employees have been told that the project and their employment is temporary.

*VIII. Contractual Services: Open Bid ___* Sole Source ___* (if sole source, attach Request for Exemption Form)
*Note: This is a subvention for *existing* services; the Commission has approved their continuation through the current non-profit contractor.

Item 1h - File 192-92-7

**Department:** Department of Parking and Traffic (DPT)

**Item:** Resolution authorizing the Director of Parking and Traffic to apply for, accept and expend State Department of Transportation grant funds for participation in the 1993 California Department of Transportation's Fuel Efficient Traffic SIgnal Management (FETSIM) Program, for the Mission District Signal System.

**Grant Amount:** Up to $80,000

**Grant Period:** January 1, 1993 - December 31, 1993

**Source of Funds:** State of California, Department of Transportation's 1993 Fuel Efficient Traffic Signal Management (FETSIM) Program

**Project:** This project would evaluate and retime traffic signals for improved traffic flow with the use of an advanced computer program.

**Description:** The proposed resolution would authorize the Director of Parking and Traffic to apply for, accept, and expend State funds for participation in the 1993 California Department of Transportation's Fuel Efficient Traffic Signal Management (FETSIM) Program.

The FETSIM Program provides full funding to conduct evaluations of and adjustments to traffic signals in order to improve traffic flow, reduce air pollutant emissions and improve energy efficiency. The Department of Parking and Traffic (DPT) proposes to evaluate and optimize signal timing and coordination for the traffic signal network in the Mission District, consisting of 80 locations in the area bounded on the north by 14th Street, on the west by Dolores Street, on the south by Army Street and on the east by Potrero Avenue. DPT reports that since the last timing study of this area was conducted in 1984, the traffic patterns and flow have changed significantly and an evaluation is needed to alter and improve the signal timing.

**Grant Budget:**

| Personnel Costs | Proposed Amount | |
|---|---|---|
| Class 5228 Assistant Traffic Engineer, Step III | | |
| $21.95 per hour x 320 hours | $ 7,024 | |
| Class 5229 Associate Traffic Engineer, Step IV | | |
| $27.35 per hour x 160 hours | 4,376 | |
| Class 5233 Principal Traffic Engineer, Step I | | |
| $36.66 per hour x 40 hours | 1,466 | |
| Class 5382 Student Engineering Trainee III | | |
| $16.30 per hour x 2,000 hours | 32,600 | |
| Class 7345 Electrician | | |
| $26.69 per hour x 40 hours | 1,068 | |
| Subtotal | | $46,534 |
| Mandatory Fringe Benefits @ 43 percent of total salaries ($46,534 x .43) | | 20,010 |
| Total Salaries and Benefits | | 66,544 |
| Indirect Costs @ 15 percent of Personnel Costs ($66,544 x .15) | | 9,982 |
| Remaining Balance for Contingency | | 3,474 |
| Total Grant Amount | | $80,000 |

**Required Match:** None

**Indirect Costs:** $9,982 (15 percent of $66,544 in Personnel Costs)

**Comments:**

1. The proposed FETSIM project would be undertaken by existing staff in the DPT's Engineering Division*. Mr. Mark Rand of the Engineering Division advises that this would require some work reassignments but that most of such reassignments could be performed by existing staff trainees. Under these circumstances the proposed grant would offset current and future budgeted costs for DPT personnel.

* DPT's Engineering Division was formerly the Bureau of Traffic Engineering under the Department of Public Works (DPW), but has been transferred as part of the establishment of the Department of Parking and Traffic under Proposition D, approved by the voters on November 8, 1988.

2. In August of 1989, the City initially received $76,873 in State funds to evaluate and retime traffic signals for improved traffic flow in the South of Market area. At that time the City was required to match State funds on a one to three basis. Therefore, the City match was $25,624 and the total project cost was $102,497 ($76,873 + $25,624). The work was completed in October of 1990. No local match, however, is required for the proposed grant which would be used again to evaluate and retime traffic signals.

**Recommendation**: Approve the proposed resolution.

Item 1i - File 100-92-1.5

**Department:** District Attorney
Family Support Bureau (FSB)

**Item:** Release of reserved funds for the District Attorney's Family Support Bureau (FSB) in the amount of $37,500 for various data processing equipment and programs for the creation of a Child Support Court which would be added to the Superior Court.

**Amount:** $37,500

**Source of Funds:** Previously Appropriated General Fund and Federal revenue funds (Title IV-D)

**Description:** In approving the FY 1992-93 budget for the District Attorney's Family Support Bureau (FSB) the Board of Supervisors reserved $37,500 pending approval by the Electronic Information Processing Steering Committee (EIPSC) for a Local Area Network (LAN) System. The proposed release of reserved funds would permit the establishment of such a system.

The Family Support Bureau (FSB) is required to administer the Child Support Program for the City and County of San Francisco. This program must accomplish certain Federal performance standards that are closely tied to incentive funding (Federal reimbursements at 11 percent of total child support collections) which generates significant revenues to the General Fund. The Federal standards include a hearing process requirement for enforcement activities which allows contested cases to move through the judicial system in an expedited manner. The proposed Child Support Court, which to date has been partially implemented, will permit San Francisco to continue to be in compliance with Federal standards because enforcement activities will receive more time and attention.

The Child Support Court sets up a hearing process under Superior Court supervision with a Hearing Commissioner who:

- takes testimony;

- establishes a record, evaluates evidence, and makes recommendation or decisions;

• accepts stipulated (both parties assent) agreements of parentage and child support amounts; and

• enters default (generally, failure of defendant to appear or plead) orders.

Family Support Bureau (FSB) reports that while the Superior Court may rehear a case, it is not anticipated this would be a frequent occurrence.

Once the subject expedited hearing process is instituted, it will become an integral part of FSB's Child Support Program operations and will be eligible for Federal subvention at the applicable Federal share of 66 percent for administrative and overhead costs. The Child Support Court should generate additional revenues based on realized incentive payments from the Federal governments (11 percent of all collections resulting from court decisions).

The $37,500 reserve for various data processing equipment and programs would address three data processing needs as follows: (1) ability to calculate child support based on Federal and State law and guidelines; (2) capability to produce a sufficient volume of legal documents to match any court calendar; and (3) communication and interface with the County Clerk data processing system.

For courtroom support there will be a series of personal computers with a Lan ("host") computer that will serve seven other computers. This configuration will generate legal documents, calculate child support obligations, and provide communication to the DA's FSB Computer Assisted Support Enforcement System (CASES) main automated data resource. The County Clerk portion of the proposed system will be connected to the main County Clerk data system so that the FSB's CASES is contained in the master data base.

**Project Budget:**

| Description | Amount |
|---|---|
| "Host" Server Personal Computer (PC) | $ 6,000 |
| Mainframe connection components | 3,000 |
| Connecting PCs (7 x $1,714.28) | 12,000 |
| Network Interface Boards | 1,500 |
| Laser Jet Printer (2 x $2,500) | 5,000 |
| Tape Backup | 2,100 |
| Uninterruptible Power Source (UPS) | 400 |
| Modems | 3,000 |
| Transmissions costs to hook into CASES | 4,500 |
| Total | $37,500 |

**Comments:**

1. Mr. Paul Owsley of the Electronic Information Processing Steering Committee (EIPSC) advises that the subject acquisition of computer equipment falls under its Personal Computer (PC) Rule of 20, which exempts small annual departmental acquisition of computer systems and computers from formal review by EIPSC.

2. Ms. Jackie Fong of the Purchasing Department advises that the costs budgeted for the proposed computer equipment requested by the District Attorney's (DA) Family Support Bureau (FSB) are reasonable and correct. Mr. Ken Tashian of the Controller's Information Services Division (ISD) confirms that transmission costs to connect the proposed computer system into FSB's CASES main file system would cost approximately $4,500 as indicated above in the Project Budget.

3. Mr. Joseph Matranga of the DA FSB reports that after the Child Support Court's initial full year of operation, it can be expected that revenues from applicable Federal subventions and incentives should exceed the General Fund cost to operate this hearing process system. Mr. Matranga estimates the initial year cost and subsequent year savings to the General Fund (revenues exceeding expenditures) for the new Child Support Court are as follows:

| | Initial Fiscal Year | Subsequent Fiscal Years |
|---|---|---|
| Anticipated Expenditures | $ 280,608 | $568,255 |
| Projected Revenues | 185,201 | 610,227 |
| Net Cost/(Savings) to General Fund | $ 95,407 | $(41,972) |

Therefore, after the first year, it is estimated that annual revenues would exceed annual expenditures by $41,972.

4. The Budget Analyst concurs that in subsequent years additional revenues should be generated as the collections of support payments increase in response to the work accomplished by the new Child Support Court and resultant incentive revenues from the Federal government (11 percent of total collections) are realized.

5. Last year, the Budget Analyst surveyed FY 1990-91 financial data on budgeted revenues and expenditures for the Family Support Bureaus (FSB) in the 12 most populated California counties. That data indicated that 4 counties

(Ventura, San Bernardino, Riverside and San Mateo) had revenues from their FSB operations which exceeded the cost of their program operations. During that fiscal year, San Francisco had $7,300,086 in revenues compared with $8,108,833 in expenditures with a resulting net cost of $808,747 to the General Fund (revenues represented 90.03 percent of expenditures).

6. The DA FSB FY 1992-93 budget has projected $10,166,746 in anticipated revenues which is $169,946 less or 98.36 percent of $10,336,692 in budgeted expenditures. Between FY 1990-91 and 1992-93, the net General Fund cost of the Family Support Bureau has decreased $638,801 from $808,747 to $169,946 and the percent of revenues to expenditures has increased 8.33 percent from 90.03 percent to 98.36 percent.

7. The proposed release of funds for the purchase of $37,500 in computer equipment to facilitate the operation of the new Child Support Court should further assist the DA FSB to increase revenues from Federal incentive payments based on the total of child support contributions collected.

**Recommendation:** Release the reserve.

Item 2 - File 203-92-2

**Department:** Real Estate

**Item:** Ordinance authorizing and directing the execution of a quitclaim deed by the City and County of San Francisco to the San Francisco Community College District, for the City College of San Francisco site located at Ocean Avenue and Phelan Avenue, and adopting findings pursuant to City Planning Code Section 101.1 (the San Francisco Community College District operates the City College of San Francisco).

**Subject Property:** The property is designated as a portion of Assessor's Block 3179, Lot 10, also known as the City College of San Francisco site (see attached).

**Description:** The proposed ordinance would authorize the Director of Property to execute a quitclaim deed by which the City would release all rights, title and interest in the City College of San Francisco site to the San Francisco Community College District. The Real Estate Department reports that the City College site was purchased by the City over a period from 1854 to 1865. This property was transferred to the San Francisco Unified School District by the City, to be used as a public school site between 1934 and 1946. The San Francisco Community College District acquired jurisdiction over this site pursuant to Ordinance No. 314-69, which was approved by the Board of Supervisors on October 25, 1969. The authority to manage and control the City College of San Francisco site is vested in the Governing Board of the San Francisco Community College District.

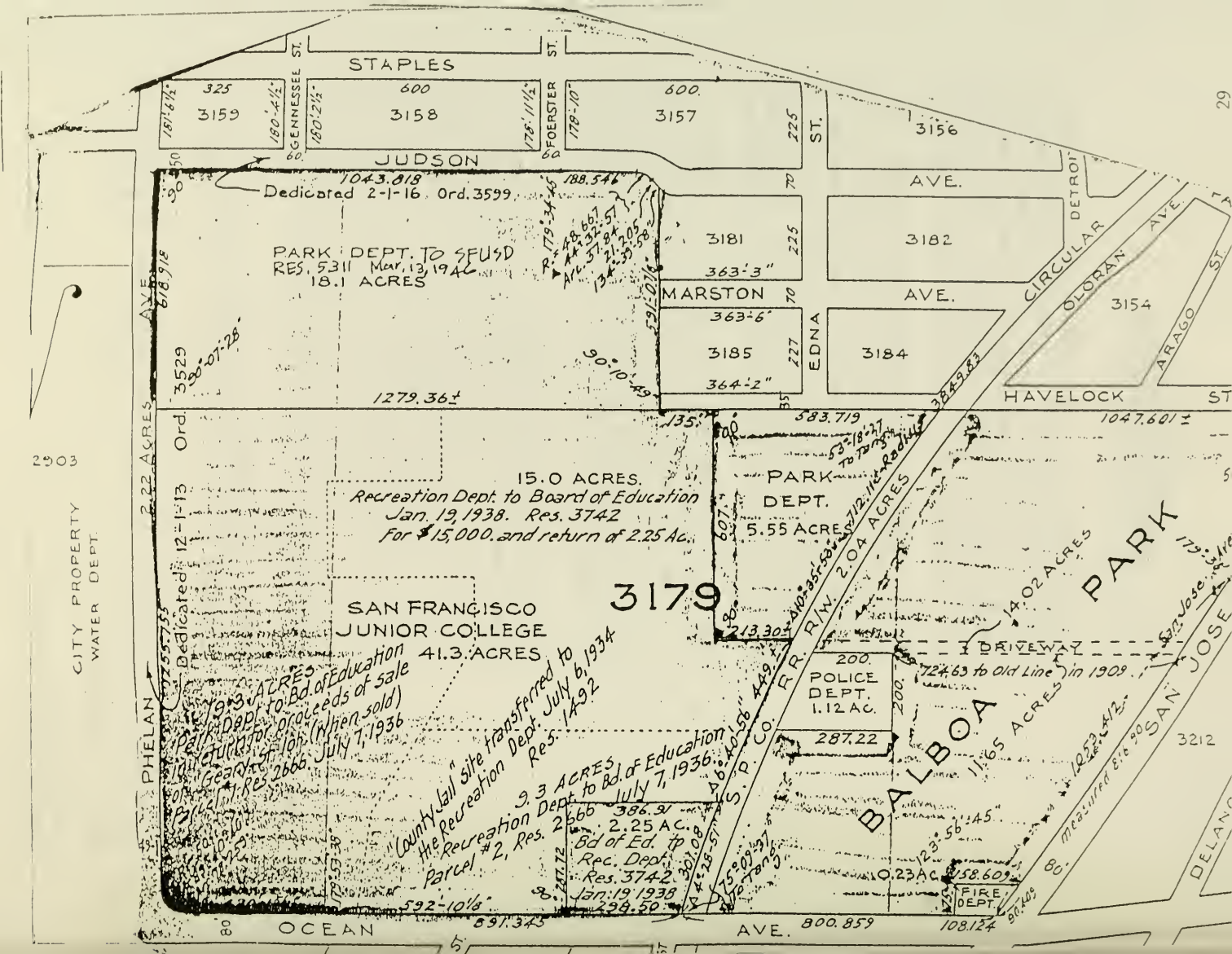
The Department of City Planning has reported that the execution of the quitclaim deed is in conformity with the Master Plan and consistent with the Eight Priority Policies of Planning Code Section 101.1.

**Comments:** 1. According to Mr. Jesse Smith of the City Attorney's Office, the City still holds legal title to the City College of San Francisco site merely as a passive trustee on behalf of the State without authority to manage or control this property. As such, according to Mr. Smith, any interest the City has in this site is of no value to the City.

2. Mr. Harry Quinn of the Real Estate Department reports that the San Francisco Community College District is proposing to build a library on the City College of San Francisco site. According to Mr. Quinn, the San Francisco Community College District must have legal title to the City

College of San Francisco site in order to acquire the necessary State financing for the proposed library. The execution of the quitclaim deed by the City and County of San Francisco to the San Francisco Community College District would result in the district being the legal title holder of the City College of San Francisco site.

**Recommendation**: Based on the City Attorney's Office advice that any interest the City has by virtue of having legal title to the City College of San Francisco site is of no value to the City, approve the proposed ordinance.


STAPLES
JUDSON
OCEAN
AVE.
MARSTON
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HAVELOCK
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GENNESSEE ST.
FOERSTER ST.
EDNA
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CIRCULAR
DETROIT
AVE.
OLORAN
AVE.
ARAGO
ST.
SAN JOSE
AVE.
DELANO
PARK
BALBOA
PARK
3159
3158
3157
3156
3154
3181
3182
3185
3184
3179
3212
325
600
600.
363'-3"
363'-6"
364'-2"
1043.818
Dedicated 2-1-16 Ord. 3599
188.54'
PARK DEPT. TO SFUSD
RES. 5311 Mar. 13, 1940
18.1 ACRES
618.9'
1279.36±
1135'
383.719
1047.601±
2.22 ACRES
Ord.
Dedicated 12-1-13
15.0 ACRES.
Recreation Dept. to Board of Education
Jan. 19, 1938. Res. 3742
for $15,000. and return of 2.25 Ac.
PARK
DEPT.
5.55 ACRES
2.0A ACRES
R/W.
SAN FRANCISCO
JUNIOR COLLEGE
41.3 ACRES
"County Jail" site transferred to
the Recreation Dept. July 6, 1934
Res. 1492
9.3 ACRES
Parcel #2, Res. 2666 July 7, 1936
2.25 AC.
Bd of Ed. to Rec. Dept.
Res. 3742
Jan. 19 1938
298.50'
S.P. CO.
R.R. R/W.
449.4'
213.30'
200.
POLICE
DEPT.
1.12 AC.
287.22
724.63 to old Line in 1909
14.02 ACRES
11.65 ACRES
DRIVEWAY
386.91
301.08'
207.72'
0.23 AC.
58.609
FIRE
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Item 3 - File 185-92-5

**Department:** Mayor's Office of Children, Youth and their Families (MOCYF)

**Item:** Resolution approving the Fiscal Year 1993-94 Children's Services Plan for the San Francisco Children's Fund in accordance with Charter Section 6.415.

**Description:** Proposition J, commonly known as the "Children's Amendment", that was approved by the electorate in November, 1991 amended Section 6.415 of the Charter to require the establishment of the San Francisco Children's Fund. The San Francisco Children's Fund augments the existing level of expenditures for services and programs for children. The Children's Amendment requires that the City maintain a level of expenditure for children's services which is equal to or greater than the level of expenditure in fiscal year 1990-91 or 1991-92, whichever is greater, and sets aside a certain percentage of property tax revenues to fund additional services above and beyond the level of services funded prior to adoption of the Children's Amendment.

The Children's Fund is funded by an annual set-aside of ad valorem (property) tax revenues in the amount of $0.0125 (one and one quarter cents) per hundred dollars of assessed valuation for Fiscal Year 1992-93 and $0.025 (two and one half cents) per hundred dollars of assessed valuation for Fiscal Year 1993-94 and the eight subsequent fiscal years. The Children's Amendment will expire after a total of ten years.

In 1992, the Controller certified that the City's appropriations for children's services prior to adoption of the Children's Amendment totaled approximately $50 million. This baseline amount of approximately $50 million, represents the required minimum expenditure by the City for children's services in each of the ten fiscal years. Each succeeding year the baseline amount will be adjusted annually by the percentage change in aggregate City appropriations since the base year.

The Children's Fund for Fiscal Year 1992-93 is approximately $5.7 million. Therefore, the total funding for children's services in Fiscal Year 1992-93 is approximately $55.7 million (approximately $50 million baseline plus $5.7 million in the Children's Fund). The Controller's Office estimates that the ad valorem tax revenue for the Fiscal Year 1993-94 Children's Fund will be approximately $13.2 million.

The Children's Amendment requires that for the first four fiscal years in which monies are set aside, the City must allocate at least 25 percent of the Children's Fund to each of three areas of "eligible services": 1) childcare, 2) health and social services, and 3) job readiness, training, and placement. The balance of not more than 25 percent of the Fund may be used only for libraries, recreation, delinquency prevention, and education programs for children. Beginning with the fifth fiscal year (1996-97), the Board of Supervisors may modify or eliminate these minimum funding requirements. The Children's Amendment does not specify how administrative costs of these programs are to be paid.

The Children's Amendment also requires that the Mayor submit to the Board of Supervisors, by December of each year, a "Children's Services Plan" for the next fiscal year to specify the goals and objectives to be achieved through expenditures from the Children's Fund, to outline proposals for expenditures from the Children's Fund and to recommend City departments to administer the funded programs.

Beginning in fiscal year 1993-94, the Children's Amendment requires a public planning process, in which public hearings are to be held by the Public Health, Juvenile Probation, Social Services, Recreation and Parks, and Public Library Commissions prior to submission of the Mayor's Children's Services Plan to the Board of Supervisors. According to the proposed plan, 19 such public hearings were held in November and December, 1992.

**Proposed Budget:** The funding allocations for Fiscal Year 1992-93 expenditures of the Children's Fund and the proposed Children's Services Plan for 1993-94 reflecting estimated program expenditures from the Children's Fund are as follows:

| SERVICE CATEGORIES | Funding Allocations for FY 1992-93 | Proposed Plan for FY 1993-94 |
|---|---|---|
| **Childcare** | | |
| Vouchers to Parents | $454,764 | $889,764 |
| Provider Center Subsidies | 332,100 | 562,100 |
| SFUSD Children's Centers | 80,000 | 80,000 |
| After School Care Programs | 246,409 | 436,409 |
| Respite Care | 75,000 | 175,000 |
| Day Care Technical Assistance | 37,500 | 37,500 |
| Extended Hours | – | 135,000 |
| S.F.Unified Departmental Services | – | 385,398 |
| Special Needs | 58,829 | 268,829 |
| Total-Childcare | $1,284,602 | $2,970,000 |
| **Health and Social Services** | | |
| Public Health Nurse - AFDC Intake | $22,000 | $22,000 |
| Health Outreach Worker | 22,000 | 22,000 |
| Neighborhood Preventive Health Team | 368,945 | 368,945 |
| Healthy Start Matching Funds | 100,000 | 100,000 |
| Mental Health Centers Outreach | 149,040 | 149,040 |
| GAIN Teen Program | 225,000 | 225,000 |
| Prevention Services | 150,000 | 375,000 |
| Homeless Families | 56,250 | 131,250 |
| Mental Health to Child Care | 147,290 | 147,290 |
| Child Abuse Prevention | 29,817 | 94,817 |
| Parent Education | – | 100,000 |
| S.F.Unified Departmental Services | – | 1,062,800 |
| Special Needs | 46,858 | 171,858 |
| Total-Health and Social Services | $1,317,200 | $2,970,000 |

| | Funding Allocations for FY 1992-93 | Proposed Plan for FY 1993-94 |
|---|---|---|
| **Job Readiness, Training, and Placement** | | |
| Dropout Prevention | $244,822 | $244,822 |
| Job Readiness | 469,183 | 554,183 |
| Foster Children Vocational Counseling | 28,000 | 28,000 |
| Mayor's Youth Employment & Educ. | 300,000 | 535,000 |
| Workreation Expansion | 64,590 | 64,590 |
| Early Exposure - ages 12-14 | 35,510 | 145,510 |
| Job Bulletin | – | 85,000 |
| College Preparatory | – | 100,000 |
| Youth Entrepreneur Projects | – | 85,000 |
| Job Placement | – | 185,000 |
| S.F.Unified Departmental Services | – | 664,285 |
| Special Needs | 143,610 | 278,610 |
| Total-Job Readiness, Training, and Placement | $1,285,715 | $2,970,000 |
| **Library, Recreation, Delinquency Prevention, Education** | | |
| Extended Library Children's Hours | $321,543 | $321,543 |
| Off-site Library Services | 75,000 | 75,000 |
| Age Appropriate Reading Materials | 25,000 | 25,000 |
| Rec/Park Youth Services Planner | 55,878 | 55,878 |
| Teen Multi-Service Centers | 281,254 | 731,254 |
| Tutorials/Peer Support | 263,658 | 373,658 |
| Alternatives to Detention | 130,000 | 280,000 |
| Outdoor Recreation | – | 110,000 |
| Cultural Enrichment | – | 300,000 |
| S.F.Unified Departmental Services | – | 450,766 |
| Special Needs | 116,901 | 246,901 |
| Total Library, Recr., Delinquency Prev., Educ. | $1,269,234 | $2,970,000 |
| **Total Service Categories** | **$5,156,751** | **$11,880,000** |

| | Funding Allocations for FY 1992-93 | Proposed Plan for FY 1993-94 |
|---|---|---|
| **ADMINISTRATIVE COSTS** | | |
| Personnel (salaries and fringe benefits) | $265,541 | $1,084,037 |
| Technical Assistance | 29,084 | – |
| Fiscal/Accounting Services | 36,000 | – |
| Rent, supplies and equipment | 77,576 | 228,963 |
| Miscellaneous | 39,200 | 7,000 |
| **Total Administrative Costs** | **$447,401** | **$1,320,000** |
| **UNALLOCATED** | **$95,848** | – |
| **TOTAL CHILDREN'S PLAN** | **$5,700,000** | **$13,200,000** |

**Comments:**

1. According to the proposed Children's Services Plan, some of the proposed expenditures from the Children's Fund can be used to leverage additional funding from Federal, State and other funding sources. The programs listed in the Children's Services Plan which reflect opportunities to receive additional Federal, State or other funding are as follows:

| Program | Recommended Administrator | Proposed Allocation Children's Fund | Source of Additional Funding | Amount of Additional Funding |
|---|---|---|---|---|
| SFUSD Children's Centers | SFUSD | $80,000 | Prop. 98 | $1,500,000 |
| Nurse-AFDC Intake | DSS | 22,000 | CHDP | 22,000 |
| Health Outreach Worker | SFUSD | 22,000 | CHDP | 24,000 |
| Neigh. Prev. Health Team | DPH | 368,945 | CHDP | 50,000 |
| Healthy Start | SFUSD | 100,000 | SB 620 | 300,000 |
| | | | Other Grants | 150,000 |
| GAIN Teen Program | DSS | 225,000 | Title IV | 225,000 |
| Foster Children Voc. Coun. | DSS | 28,000 | FILS | 28,000 |
| Total | | $845,945 | | $2,299,000 |

SFUSD = San Francisco Unified School District
DSS = Department of Social Services
DPH = Department of Public Health
CHDP = State Child Health and Disabilities Program
FILS = Federal Independent Living Skills Program
SB 620 = California Healthy Start Program

2. In November 1992, the Board of Supervisors approved a resolution urging the Mayor to utilize the Fiscal Year 1992-93 Children's Services Plan as the foundation for the 1993-94 plan in order to maintain continuity in the provision of services. This resolution also provided that services contracted from community based providers would be provided for an 18 month period from January, 1993 through June, 1994 with the first nine months (January through September 1993) funded from the 1992-93 Children's Fund appropriations and the last nine months (October, 1993 through June, 1994) funded from the 1993-94 Children's Fund appropriation.

3. The proposed Children's Services Plan for 1993-94 is a guideline for implementation of the Children's amendment and does not itself appropriate funds. Appropriation of funds will be accomplished in the regular budget approval process for the City's 1993-94 budget.

**Recommendation:** Approval of the Fiscal Year 1992-93 Children's Services Plan is a policy matter for the Board of Supervisors.

Item 4 - File 127-92-2.1

**Note:** This item was continued by the Finance Committee at its meeting of December 16, 1992.

1. Ordinance amending Part III of the San Francisco Municipal Code by amending Section 807 thereof, providing an exemption from the payment of the Stadium Operator Admission Tax, by extending for one year, through December 31, 1993, the exemption from the payment Admission Taxes on tickets sold at $17.99 or less.

2. Until December 31, 1992, Section 807 of Article II, Part II of the San Francisco Municipal Code provided for an exemption from the $0.50 Stadium Operator Admission Tax for tickets priced at $12.99 or less for the first 42,500 paid admissions to any single event. The proposed ordinance would amend Section 807 to extend the exemption from the $0.50 tax for tickets but at the increased price limit of $17.99 or less (a $5.00 increase in the prices of exempt tickets) for the first 42,500 paid admissions at each event to be effective for one year, until December 31, 1993.

3. The Stadium Operator Admission Tax was established in 1971 to partially finance the expansion of Candlestick Park. The Giants report that a) the stadium expansion of 1970 was exclusively for the accommodation of football; b) between 1970 and 1979, attendance in excess of pre-expansion capacity (approximately 42,500) occurred on only 15 occasions totaling only 118,526 tickets with total additional ticket sales from the expansion resulting in approximately $511,600 of additional revenue; c) during this same time period (1970-79), the Giants generated approximately $2,064,046 in Stadium Operator Admission Tax revenues. Since 1980, the Giants have exceeded pre-expansion capacity on 60 dates (10 of these dates were in the 1989 season which had total attendance of 2,370,126 including 310,297 for three playoff games and two World Series games).

4. Prior to 1977, exemptions from this Stadium Operator Tax had a minor impact on revenues and were primarily limited to tickets priced $2.01 or less. From 1977 through 1987, the ticket prices to be exempt rose several times. During 1988 and 1989, the exemption was on tickets of $12.99 or less for the first 42,500 paid admissions at each event. Tickets sold in excess of 42,500 at each event were subject to the $0.50 tax. As previously noted, the proposed ordinance would extend the exemption from the $0.50 tax for tickets at the increased price limit of $17.99 or less for the first 42,500 paid admissions until December 31, 1993.

5. Actual revenues to the Candlestick Park Fund from the $0.50 Stadium Operator Admission Tax from FY 1986-87 through FY 1991-92 have been as follows:

| | 1987-88 | 1988-89 | 1989-90 | 1990-91 | 1991-92 | 1992-93**** |
|---|---|---|---|---|---|---|
| 49ers | $306,400 | $349,089 | $341,000 | $326,000 | $326,000 | $523,000 |
| Giants | 87,636* | 11,094** | 176,259*** | 22,262** | 6,761** | 740,000 |
| Monsters of Rock Concert | | 32,500 | | | | |
| Total | $394,036 | $392,683 | $517,259 | $348,262 | $332,761 | $1,263,000 |

* Reflects Admission Tax payments on playoff games which had ticket prices exceeding $9.99.

** Reflects Admission Tax payments for those tickets sold for all seats in excess of 42,500 at each game.

*** Reflects Admission Tax payments for those tickets sold for all seats in excess of 42,500 at each game and for playoff and World Series games which had ticket prices exceeding $12.99.

**** Budgeted Amounts

6. Ticket prices for the Giants in 1993 are $12.25 to $17.50 for a lower box, $11.25 to $12.25 for an upper box, $10.25 for a lower reserved seat, $6.25 for an upper reserved seat and $5.25 for a pavilion seat. The 1993 price for a general admission seats has not yet been determined (the 1992 price for general admission seats was $2.75).

7. The proposed exemption from the $0.50 Stadium Operator Admission Tax would apply to tickets priced at $17.99 or less rather than for tickets priced at $12.99 or less as the 1992 exemption provided. According to Mr. Phil Arnold of the Recreation and Park Department, the proposed increase of ticket price Stadium Operator Admission Tax exemption from $12.99 to $17.99 is because the Giants intend to increase ticket prices for the 1993 baseball season. As of the writing of this report, the proposed ticket price increases have not been disclosed. However, because the proposed exemption is for tickets sold at $17.99, it is reasonable to expect that the Giants' increased ticket prices for the 1993 season will not exceed $17.99. Thus, all the tickets sold by the Giants, (excluding those tickets sold in excess of 42,500 per game, and excluding playoff and World Series tickets) which have a price of less than $17.99, are exempt from the Stadium Operator Admission Tax. Ticket prices for the 49ers are $35.75 for all seats in 1992. In accordance with a 1985 agreement between the City and the 49ers, luxury boxes are exempt from the Stadium Operator Admission Tax.

8. The projected amount of annual revenue in 1993 from the Stadium Operator Admission Tax, a) based on an exemption for all tickets sold at $2.01 or less (which would result if this proposed ordinance were not approved), and b) based on an exemption for all tickets sold at $17.99 or less (which would result if this proposed ordinance were approved), and c) based on budgeted and projected 1993 attendance figures, would be as follows:

Projected 1993 Stadium Operator Admission Tax Revenues

| | If exemption of tax is on all tickets of $2.01 or less (If proposed legislation is not approved) | If exemption of tax is on all tickets of $17.99 or less for the first 42,500 paid admissions at each event (If proposed legislation is approved) | Estimated Additional Revenues to the City (If proposed legislation is not approved) |
|---|---|---|---|
| 49ers | $326,000 | $326,000 | 0 |
| Giants | 875,000 | 6,761 | $868,239 |
| Total | $1,201,000 | $332,761 | $868,239 |

Approval of the proposed legislation would result in an estimated loss of revenues to the City of $868,239.

**Comment**

In May of 1992, the Board of Supervisors granted an exemption to the Stadium Operator Tax on all tickets of $12.99 or less. When the Finance Committee passed this legislation out to the full Board of Supervisors, the Committee stated that this would be the last time that the exemption would be granted. Based on that stated intent, the Mayor's Office, the Recreation and Park Department and the Controller's Office included $700,000 in additional Stadium Operator Admission Tax revenue in the Recreation and Park Department's FY 1992-93 budget.[1] Thus, if the proposed exemption is granted, the Candlestick Park Fund would realize a shortfall of $700,000 in budgeted revenue. In FY 1992-93 the Candlestick Park Fund had a surplus of approximately $3.5 million which was budgeted as a transfer to the General Fund. In order to operate Candlestick Park at its current level, this $3.5 million transfer to the General Fund would have to be reduced by $700,000 in FY 1992-93. Therefore, if the proposed exemption is approved, an amount of $700,000 less would be transferred from the Candlestick Park Fund to the General Fund. It should be noted that the proposed concessions

[1]The Department budgeted $700,000 in Stadium Operator Admission Tax revenue instead of $868,239 which is the projected additional annual revenue from the Giants paying the Stadium Operator Admission Tax.

to the Giants of approximately $3.1 million annually ($1.5 million in FY 1992-93) will also reduce the Candlestick Park Fund transfer to the General Fund by approximately $1.5 million, thereby resulting in total reduced transfers to the General Fund of $2.2 million ($1.5 million plus $700,000) in 1992-93, if the $3.1 million of concessions are granted to the Giants and if this proposed exemption of the Stadium Operator Admission tax is approved.

**Recommendation**

In May of 1992 the Finance Committee expressed its intent to not approve an exemption to the Stadium Operator Admission Tax in 1993 and the Recreation and Park Department and the Controller's Office included $700,000 in revenues from the Stadium Operator Admission Tax to reflect that intent.

Approval of the proposed exemption is a policy matter for the Board of Supervisors. As stated above, such approval would result in an estimated annual loss to the City's General Fund of $868,239.

Item 5 - File 188-92-1

**Note:** This item was continued from the Finance Committee meeting of November 18, 1992.

1. This is a hearing to consider the fiscal impact of the 1987 contracts with Pacific Gas and Electric Company (PG&E) and the Modesto and Turlock Irrigation Districts (M/TID)for the purchase and sale of Hetch Hetchy hydroelectric power. When this item was heard by the Finance Committee, on October 21, 1992, specific questions were asked by the Committee to the Budget Analyst, the Hetch Hetchy General Manager and the City Attorney. This report addresses those questions.

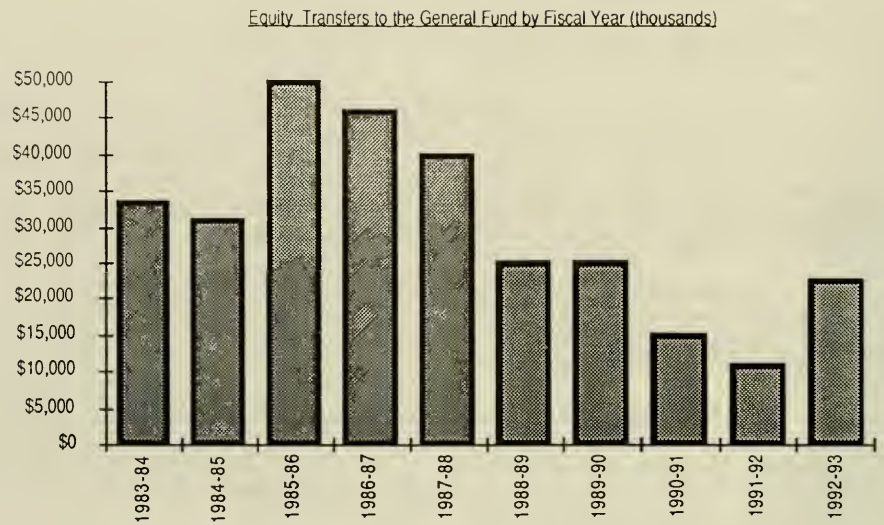
2. **Chronology of Contract Negotiations** - Attachment 1 is a copy of the City Attorney's memorandum concerning the history of negotiations between the City and County of San Francisco, the Pacific Gas & Electric Company and the Modesto/Turlock Irrigation Districts.

3. **The Results of Contract Negotiations with the Districts** - Attachment 2 to this report provides a memorandum from Hetch Hetchy and the City Attorney entitled *"Benefits and Obligations of the Power Contracts with The Modesto Irrigation District, Turlock Irrigation District and Pacific Gas & Electric Company"* in response to this inquiry from the Finance Committee.

4. **The City's Options for Re-negotiation of the Contracts** - Attachment 3 is a memorandum from the General Manager of Hetch Hetchy explaining the City's options regarding re-negotiation of the terms and conditions of the PG&E and M/TID contracts.

5. **Reconciliation of Financial Information with San Francisco Bay Guardian newspaper article** - The Budget Analyst was directed to analyze data published in a newspaper article printed in the SF Bay Guardian regarding historical trends in equity transfers of surplus funds from Hetch Hetchy to the General Fund and the costs and benefits of transactions between Hetch Hetchy, PG&E and M/TID over a sixteen-month period beginning in March 1991 and ending June 1992. This review is discussed below:

**Equity Transfers to the General Fund** - The graph below provides a history of transfers to the General Fund for the ten-year period beginning with fiscal year 1983-84 and ending with the current, 1992-93 fiscal year. The chart below shows that the graph printed in the Bay Guardian article was substantially correct. However, the scale of the Bay Guardian chart served to exaggerate the relative differences between annual transfer amounts by depicting the transfers over a truncated range of $10 million to $50 million rather than the full range of zero to $50 million.



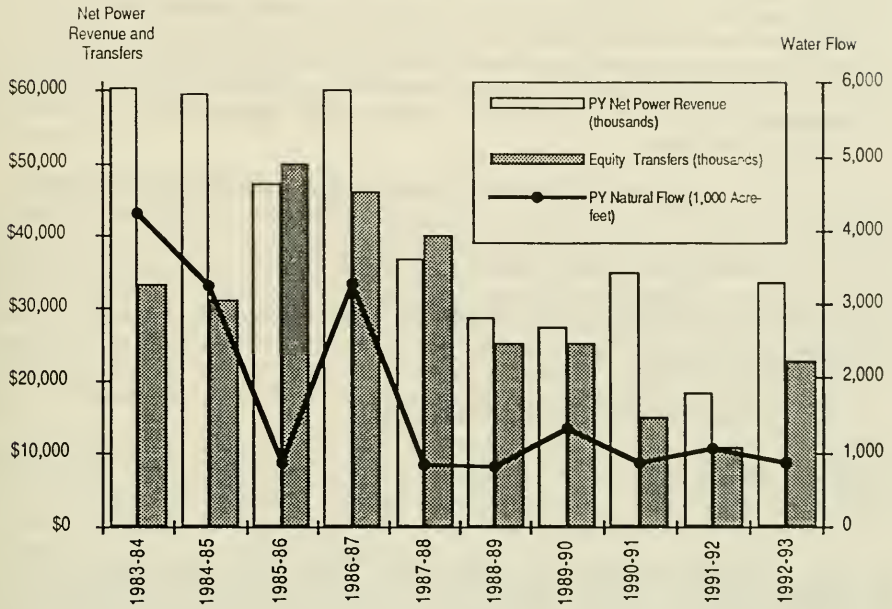

Charter Section 6.407 specifies the manner in which surplus funds may be transferred from utility funds (i.e. Hetch Hetchy and the Water Department) to the General Fund. Essentially, up to 25% of a preceding fiscal year's surplus may be transferred to the General Fund after accounting for operations, maintenance and repair and needed capital acquisitions and improvements. Therefore, equity transfers to the General Fund do not entirely result from prior year sales of Hetch Hetchy's hydroelectric power, but also depend on expenditures for operating and capital costs, other revenue such as the sale of water, and surplus balances from past years that had not been transferred to the General Fund.

A further complication that must be taken into consideration when reviewing Hetch Hetchy transfers to the General Fund is of course the effects of recent drought years on the system's water supply and resulting net revenue from the generation of hydroelectric power. The chart on the following page shows the relationships between these factors.

The chart on the next page compares equity transfers from Hetch Hetchy to the General Fund on a fiscal year basis with prior year (PY) values for net power revenue (total hydroelectric power sold less the costs of PG&E services such as transmission expense and capacity reserve costs and the purchase of power purchased from PG&E in order to meet contractual obligations).

Also shown on the chart are values for Prior Year Natural Flow, a measure of total inflows, in acre-feet, for the Tuolumne River system. This provides a relative comparison, on a year-to-year basis, of water supply available to Hetch Hetchy for reservoir storage and hydroelectric power generation.

Comparison of Net Power Revenue, Equity Transfers to General Fund and Water Flow




Source data for the two charts shown above and on the preceding page are displayed below.

| Fiscal Yr. | PY Net Power Revenue (thousands) | Equity Transfers (thousands) | PY Natural Flow (1,000 Acre-feet) |
|---|---|---|---|
| 1983-84 | $60,350 | $33,295 | 4,245 |
| 1984-85 | $59,552 | $31,000 | 3,243 |
| 1985-86 | $47,252 | $50,000 | 855 |
| 1986-87 | $60,069 | $46,000 | 3,286 |
| 1987-88 | $36,740 | $40,000 | 833 |
| 1988-89 | $28,665 | $25,000 | 808 |
| 1989-90 | $27,156 | $25,000 | 1,302 |
| 1990-91 | $34,967 | $15,000 | 864 |
| 1991-92 | $18,220 | $11,000 | 1,035 |
| 1992-93 | $33,592 | $22,600 | 851 |

6. **Costs and Benefits from the Purchase of Supplemental Power from PG&E to meet M/TID demand** - The Finance Committee has directed the Budget Analyst to reconcile the differences between data reported by the Bay Guardian and Hetch Hetchy. The Bay Guardian reported that Hetch Hetchy lost approximately $10.7 million over a sixteen-month period between March 1991 and June 1992. After conferring with Bay Guardian staff, the Budget Analyst was informed that their estimate of PG&E bills for services and the purchase of supplemental power was based on projections, of computed average payments by M/TID for such purchased power. The Bay Guardian staff then added the cost of capacity reserve payments to arrive at the $10.7 million loss figure. These calculations are summarized below:

Bay Guardian Calculations for Period of March 91 to June 92
(in millions)

| | |
|---|---|
| Calculated cost of Purchased Power from PG&E | $ (17.3) |
| Projected M/TID Payments for Purchased Power | 12.9 |
| "Sales Loss" | $ (4.4) |
| Mandatory Capacity Reserve Charge | (6.3) |
| Total Loss | $ (10.7) |

In contrast to the Bay Guardian calculations shown above, Hetch Hetchy reports that during the same sixteen-month period, the City paid PG&E less than $6.2 million for "supplemental power" to meet the Districts' demands and charged the M/TID over $6.6 million for the same supplemental power, thereby realizing a net benefit of over $400,000 instead of the Bay Guardian's calculated "Sales Loss" of $4.4 million. Hetch Hetchy also reports that Capacity Reserve payments to PG&E over that same period amounted to $5.98 million, but that this expenditure was necessary not only to guarantee supplemental power but to provide "firm capacity" for all power generated by Hetch Hetchy, thereby assuring total revenues from M/TID of $27.6 million including not only the sale of power purchased from PG&E but also power generated by Hetch Hetchy itself.

According to Hetch Hetchy, if capacity reserves were not guaranteed by PG&E, the City would not be able to sell power at firm power rates and therefore would not have realized total revenues of $27.6 million over this period. Hetch Hetchy further adds that the contract with PG&E provides "capacity reserve credits" which reduced supplemental power purchase costs by $7.3 million over the period analyzed.

7. **Power Market Analysis** - The Finance Committee also directed the Budget Analyst to review any alternative market data or analyses for the services provided by PG&E to the City and long-term power sales agreements comparable to the City's contracts with M/TID.

Hetch Hetchy reports that no alternatives exist to the transmission, firming and other services provided by PG&E to the City. Therefore, they are unable to provide meaningful data to compare with the PG&E agreement.

Hetch Hetchy consultants, Stone & Webster, Inc. have provided a review of seven other long term power sales agreements in comparison to the City contracts with M/TID. The consultants note many factors that make comparisons difficult, such as the buyer/seller relationships, the years the agreements were initiated, the terms of the contracts, energy requirements and delivery contingencies. Such factors can cause variations in power prices of between 5% and 25% according to the consultants.

Hetch Hetchy's consultants conclude that, while acknowledging these differences, the City's current price for Class 3 power sold to M/TID of 40 mills per kilowatt hour ($.04) is at the low end of the market, which ranges from 40 to 50 mills per kilowatt hour. The Budget Analyst notes that this difference between the M/TID contract and other long term markets remains substantially unchanged from prior reports by the Budget Analyst, based on surveys performed by Hetch Hetchy's consultants in 1984 and 1988. In these prior reports, the Budget Analyst concluded that if the M/TID agreements reflected other market data provided by Hetch Hetchy's consultants, then the City would realize substantially greater revenues.

Despite the fact that greater revenues could be achieved if the M/TID agreements were comparable to other long term sales contracts, according to Hetch Hetchy and the City Attorney, no opportunities exist to modify the existing M/TID agreements through re-negotiation under the contract terms and conditions.

As explained in Attachment 2 to this report, Hetch Hetchy believes that other contract features provide favorable financial results to the City. These include the fact that the Districts must pay for all firm power up to the project dependable capacity of 260 megawatts whether they use such power or not (i.e. "take or pay"), that the City can automatically increase power and energy for its municipal needs thereby reducing power supplied to the Districts, and that the City's rates for Class 3 power sold to the Districts escalate based on PG&E's average revenue for energy and not City costs for hydroelectric generation.

CITY AND COUNTY OF SAN FRANCISCO

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M E M O R A N D U M

DATE: October 30, 1992

TO: SUPERVISOR JIM GONZALES
Chair, Finance Committee
Board of Supervisors

THROUGH: ANSON B. MORAN
General Manager
Hetch Hetchy Water and Power

FROM: THOMAS M. BERLINER
Deputy City Attorney

RE: History of Negotiations With Pacific Gas & Electric Company and the Modesto and Turlock Irrigation Districts Concerning Power Sales Contracts
(Our Ref. No. P0019/84)

Pursuant to your request attached is a chronology of events leading up to the current power sales contracts with PG&E and the Modesto and Turlock Irrigation Districts (sometimes referred to as MID, TID or collectively as "Districts").

T.M.B.

Enclosure

cc: w/ enc.
Sup. Hallinan
Sup. Migden
Budget Analyst
T. Lakey

1470P/3

CHRONOLOGY OF EVENTS RELATING TO POWER CONTRACTS WITH THE MODESTO IRRIGATION DISTRICT, TURLOCK IRRIGATION DISTRICT AND PACIFIC GAS AND ELECTRIC COMPANY

| DATES | COMMENTS |
|---|---|
| 1945 | City signs contract with PG&E for supplemental power and support services. (Contract expires 1987, per amendments.) |
| 1973 | City signs power sales contracts with Districts. Sold total output of Hetch Hetchy Project as "firm" power. |
| Nov. 1973 | OPEC oil crisis escalated market rates. Over next several years City derived substantial revenues from PG&E "assigned customers." |
| 1978 | City unsuccessfully litigates with Districts to raise rates for power. |
| 1979 | Airlines unsuccessfully sue City re power of PUC to set rates. |
| July, 1980 | Hetch Hetchy solicits 15 public agencies for interest in purchase of Hetch Hetchy power. |
| 1981 | Hetch Hetchy consultant, Auslam & Associates, recommended Districts, Western Area Power Administration (WAPA) as potential customers. |
| 1981-1982[1/] | PG&E informs City that next PG&E contract would be on same terms as current contract, but without assigned customers. |
| 1981-1982 | City negotiates with Districts on basis of PG&E representations. |
| 1983 | PG&E changes contract parameters and informs City that if City negotiates firm power sales contracts, City must pay for firming services. (See 1981-82.) PG&E elects to contract directly with Districts for support services.<br><br>PG&E discovers failure to escalate rate base from 1973. Cost to PG&E of approximately $4 million/year. |

1/ In late 1981 or early 1982, PG&E orally informed Dean Coffey - exact date unknown.

| DATES | COMMENTS |
|---|---|
| 1983 | Districts discuss purchase of firm power from City. Districts will purchase additional power elsewhere. |
| Late 1983 | Districts contend Hetch Hetchy not firm power so would pay us "dump power" (5-7 mills). Hetch Hetchy discusses firming with PG&E. City negotiates with Districts concerning firm power rates. |
| 1984 | Auslam and Associates' report recommends sale price of between 30-40 mills/kwh based upon amounts of power available from Pacific Northwest and Southwest. |
| Aug. 1984 | MID prepared to sign contract with City; breaks away from TID. Proposed contract at 40 mills. |
| Sept. 1984 | Rep. Tony Coelho's introduces legislation for TID to compel City power sales at "cost." Legislation passes House of Representatives. Sen. Wilson objects on procedural grounds. City negotiates with Districts, meets with Rep. Coelho. Coelho outlines terms for agreement including: 30-year contract, price of 23 mills, District priority to power, right to use excess Hetch Hetchy transmission and capacity, and other conditions. |
| Sept. 1984 | City and Districts sign "principles." |
| May, 1985 | Board of Supervisors approves 2-1/2 year "Interim Agreements" with Districts. City to sell bulk of power above City's municipal needs to Districts for 30 years, at 36.25 mills (price includes capacity charge), plus escalation, and other "Coelho" terms. |
| June, 1985 | Prior contracts with Districts expire. Replaced by Interim Agreement. |
| July, 1985 | City and Districts sign "Amplified Principles." |
| Dec. 1987 | PG&E 1945 contract, as amended, expires. |
| Jan. 1988 | "Extension Agreement" with Districts becomes effective. Present agreement with PG&E becomes effective. |
| Feb. 1988 | Board of Supervisors hearing on power contracts. |
| April, 1988 | Long Term Agreements with Districts become effective. |

1470P/4

CITY AND COUNTY OF SAN FRANCISCO

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M E M O R A N D U M

DATE: November 5, 1992

TO: THE HONORABLE JIM GONZALEZ
Chair, Finance Committee
Board of Supervisors

FROM: ANSON B. MORAN
General Manager
Hetch Hetchy Water and Power
THOMAS M. BERLINER
Deputy City Attorney

RE: Benefits and Obligations of the Power Contracts With the Modesto Irrigation District, Turlock Irrigation District and Pacific Gas & Electric Company (Our Ref. No. P0019/84)

Pursuant to your request, the following summarizes the benefits and obligations which resulted generally from the power sales contracts with the Modesto Irrigation District and Turlock Irrigation District, and the support services contract with Pacific Gas & Electric Company.

You will recall that both the City contracts with the Districts and the PG&E contract received extensive analysis and debate both before the Public Utilities Commission and the Board of Supervisors. There were numerous hearings concerning both contracts - including one which Mayor Agnos attended, extensive analysis by PUC staff, the Budget Analyst, and outside consultants, including consultants retained specifically to analyze the contracts in their post-negotiated, pre-acceptance condition. Based upon this analysis, City leaders concluded that the contracts provided the City with a substantial increase in revenues over prior contracts, met the City's needs for disposal

of its Hetch Hetchy power, and protected the City from system failures and water supply shortages due to drought.

In reviewing the benefits and obligations, one must keep in mind that each party to a contract will have its own vision of the benefits and obligations which accrued. Furthermore, during the life of a contract, depending upon events, what may have started out to be a benefit or obligation in general, may not be perceived as such at all times.

BENEFITS AND OBLIGATIONS OF POWER SALES CONTRACTS TO THE MODESTO IRRIGATION AND TURLOCK IRRIGATION DISTRICT.

The agreements between the City and Districts are in two parts. The first phase of the agreement lasted 2-1/2 years. It was known as the "Interim" agreement. The second phase of the agreement is the "long-term" agreement and covers the remaining 27-1/2 years of the contract. The terms and conditions of both the Interim and long-term agreements were dictated in large part by the principles agreed to in 1984. These principles were the result of an intensive negotiation during the month of September, 1984 following the introduction by Rep. Tony Coehlo of legislation which would have prevented the City from selling its Hetch Hetchy power for a profit. The basic principles and the subsequent amplification to these principles formed the basis for the long term agreement which is now in effect. The major provisions are set forth below.

BENEFITS.

1. During the first 2-1/2 years of the agreement (Interim Agreement) all sales by the City to the Districts were deemed "firm." This maximized revenues from City power.

2. During the first 2-1/2 years of the agreement (Interim Agreement) the Districts were obligated to pay for half of the charges from PG&E for firming services. This was a "pass through" of PG&E charges.

3. The Districts will pay a portion of the firming costs ($700,000 per year) to "firm" their Class 1 power entitlements under the Raker Act. Prior to this contract, their Class 1 power entitlements were on an "as available" basis.

4. The Districts must pay for firm power up to 260 MW, whether they use it or not (i.e. "take or pay"). That is, the Districts are obligated to pay the City during the life of the contract for the amount of power that they have committed to

purchase. Should the Districts develop other resources which could provide them power cheaper than available from this contract, they will nevertheless have to pay the City for the full amount of their committment.

5. The price for Class 3 (commercial) power was initially established on the basis of a market rate and will escalate pursuant to increases in PG&E rates.

5.1 Rate changes will be based on a 5-year trend analysis of PG&E rates, thereby smoothing sharp increases or decreases in rates.

6. The Districts must purchase firm power at a 65% "capacity factor." This capacity factor recognizes the City's need to balance its primary water supply obligations with its firm power committments.

7. If the project dependable capacity (PDC) of the Hetch Hetchy project decreases, the City will reduce its obligation to the Districts. If PDC is decreased due to an "uncontrollable force," the City is obligated to meet the initial PDC for only 90 days.

8. If the City's municipal load increases, it will reduce its firm capacity committments to the Districts by an equivalent amount.

9. Half of all excess energy generated by the Hetch Hetchy project may be served to the City's airport tenant customers. In the event excess energy is generated above that required by the Districts, the City may serve this energy to Norris Industries and PG&E assigned customers.

10. The rate for non-firm energy is the lower of the firm energy rate for Class 3 purchases or the rate available to the City under long term alternative non-firm sales agreements. The initial alternative rate is established at the energy cost adjustment clause (ECAC) or fuel cost component of an applicable PG&E rate approved by the California Public Utilities Commission. The ECAC rate is a very competitive rate at this time.

11. In the event of "uncontrollable forces" the City's performance under the contract will be excused under specified circumstances.

12. The Districts and City agree not to initiate, cause, support or engage in any attempt to frustrate the terms and conditions of this agreement or the integrity of the Raker Act.

13. If third parties cause impacts to either the contract or the Raker Act which diminish the benefits of the agreement, the parties agree to amend the agreement so as to realize the mutual benefits anticipated by the agreement.

OBLIGATIONS.

1. The City is committed to selling power to the Districts for a total of 30 years. The contract expires June, 2015.

2. Since the Districts are paying for firming services, the City must supply the Districts with Class 1 power even if it is not otherwise available from Hetch Hetchy.

3. The rate for Class 3 power will escalate based on a five-year trend analysis of PG&E rates. This will cause rate changes to lag somewhat, however it will have the impact of smoothing rates rather than causing sharp increases or decreases.

4. If excess capacity exists above the Hetch Hetchy project dependable capacity (PDC) of 260 MW, the Districts have the right to make use of it, but must pay the City for any additional costs incurred to serve airport tenants. Costs for other customers are not recoverable.

5. If the City increases the PDC of the Hetch Hetchy project, the Districts are entitled to purchase the increase in firm capacity.

6. The Districts have a right of first refusal to at least one-half of the available non-firm energy generated by the Hetch Hetchy project.

7. The Districts may use excess transmission capacity of the Hetch Hetchy lines to the extent such usage does not interfere with the City's use of the transmission facilities.

BENEFITS AND OBLIGATIONS FROM THE SUPPORT SERVICES CONTRACT WITH PG&E.

BENEFITS.

1. The contract with PG&E is for the same length of time as the contracts with the Districts.

2. PG&E must provide the City with the firming services City requests for City's municipal loads and firm sales to Districts.

3. Services from PG&E are on "if and as needed basis." There is no charge for services not used.

4. PG&E will provide supplemental power when Hetch Hetchy generation is not sufficient to meet its firm committments or is needed for maintenance or emergency outages.

5. PG&E provides capacity reserve services for Hetch Hetchy for use during emergency and maintenance outages.

6. PG&E will provide up to 59.8 MW of capacity credits against purchases of supplemental power. The City/PG&E contract is the only PG&E contract which contains this provision.

7. In the event the City needs to purchase supplemental capacity in excess of the available capacity credit for District obligations, it will not be charged a premium for purchases during peak periods nor will it be required to pay for this capacity in months when it is not used. That is, there is no "rachet." (The "rachet" does apply to purchases for airport tenants and Norris Industries.)

8. The City obtained firm committments for the transmission of Hetch Hetchy power to the City for municipal needs and the right to purchase up to 200 MW of transmission in order to meet future increases in the City's municipal load.

9. Disagreements over rates may be litigated before the Federal Energy Regulatory Commission (FERC) which limits rates to "cost of service," which includes the authorized rate of return.

10. If more economical energy is available from other sources, the City may purchase it without obligation or penalty to PG&E.

11. If more economical power or services are available from other sources, the City may purchase them subject to notifying PG&E, and PG&E may request contract renegotiation as a result of City's purchase decisions.

12. The City will be entitled to sell excess energy to PG&E's large industrial customers, i.e. "assigned customers." The City/PG&E contract is the only PG&E contract which contains this provision.

OBLIGATIONS.

1. The City must purchase capacity reserves from PG&E since at present PG&E is the only provider.

2. In the event City needs to purchase supplemental capacity for airport tenants or Norris Industries, a "rachet" will apply which will raise the quantity of capacity which the City must purchase for these customers to the highest demand in the current month or the preceeding 11 months, which ever is greater.

3. The only available transmission and distribution path for the delivery of Hetch Hetchy power to the City for its municipal needs is through PG&E. The City must purchase and pay for these services.

4. Rates under the contract are subject to periodic renegotiation. (This issue is placed in the "obligation" category because it is expected that under normal circumstances rates will increase, not decrease.)

A.B.M./T.M.B.

CITY AND COUNTY OF SAN FRANCISCO

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MEMORANDUM

DATE: November 16, 1992

TO: THE HONORABLE JIM GONZALEZ
Chair, Finance Committee
Board of Supervisors

FROM: ANSON B. MORAN
General Manager
Hetch Hetchy Water and Power
THOMAS M. BERLINER TMB
Deputy City Attorney

RE: "Leverage" in the Power Contracts with the Modesto Irrigation District, Turlock Irrigation District and Pacific Gas and Electric Company
(Our Ref. No. P0019/84)

You have requested some guidance as to where the City might obtain leverage in the power contracts with the Modesto and Turlock Irrigation Districts ("Districts") and Pacific Gas and Electric Company ("PG&E"). The concept of "leverage" is one which varies depending upon the party or situation. Within the context of the Finance Committee's inquiry, "leverage" is the opportunity for the City to achieve a "better deal" or an advantage in its negotiations with the parties to the power contracts.

The City experienced the downside of "leverage" during the negotiations of the power contracts through the legislation introduced by Rep. Tony Coelho on behalf of the Districts, which would have precluded the City from selling power above cost. PG&E also had leverage since it was (and is) the sole provider of transmission and capacity reserves in this service area. The City also had some leverage. While the Districts eliminated the City's ability to sell to some other entity, the City still had some ability to determine the operational aspects of the sale and

delivery of power. With PG&E, the City was a purchaser of a not insignificant amount of services. Further, Mayor Feinstein played an active role in final face to face negotiations with PG&E which definitely had a positive impact on the final contract.

It is possible that the City could obtain leverage in its dealings with either the Districts or PG&E external to the provisions of the contracts. That would be a process of some strategizing and careful consideration by the City. However, it is my understanding that your inquiry is related to leverage which the City might obtain from within the contracts themselves. Assuming this to be the case, we have analyzed the contracts to determine where the City might have leverage.

Leverage is created at any time that (1) both parties to the contract want to change terms or conditions in the contract; (2) a term or condition within the contract has (a) become "unreasonable" as a matter of law or (b) is subject to renegotiation, and which could be decided by the Federal Energy Regulatory Commission or arbitration if one or the other party is again "unreasonable"; or (3) one party has gained an advantage over the other party as to some aspect of the contract such as through the creation of options or alternatives which allow it to obtain a "better deal" elsewhere.

PG&E CONTRACT

Before beginning a negotiation with PG&E on the basis of the three areas identified in the preceeding paragraph, an assessment must be made concerning the likely outcome of a negotiation. While the City may want a rate from PG&E to be decreased, circumstances may be such that an increase is justified. Further, an appeal to the Federal Energy Regulatory Commission may not only confirm a rate increase, but may open the door to an even greater increase than originally proposed. Of course, the opposite result is also possible, either in achieving a decreased rate or reducing a rate increase.

For example, a recently proposed decision by the California Public Utilities Commission (CPUC) may provide leverage in future negotiations with PG&E. The CPUC will be considering a proposal to lower PG&E's rate of return. If this reduction is based on changes in PG&E's costs, or is reflected in rates charged to the City, this may provide the type of leverage identified in item 2 above. If the City is able to show that a rate which is subject to FERC jurisdiction should be lowered as a result of a final CPUC decision, this would benefit the City by either providing a basis

for reducing a current rate or a proposed rate increase. Hetch Hetchy will be following the CPUC closely on this issue.

The City has already explored ways to obtain leverage through alternatives identified in item 3, above. Hetch Hetchy studied the power contract with PG&E to determine where it would gain the greatest immediate financial benefit for the least amount of money. Hetch Hetchy concluded that it should try to purchase non-firm energy from available power pools. As a result, the Board of Supervisors approved a contract with the Western Systems Power Pool, a brokerage consortium, which allows the City to purchase economy energy on the "spot market" at rates below those charged by PG&E. While this arrangement has not yet translated into "leverage" with PG&E, it is a first step and others will follow.

Among the other areas where alternatives may be developed are:

- Additional power purchases from other sources on either a firm, non-firm or option basis.

- Transmission service from non-PG&E sources to the extent transmission might be available.

- Capacity reserve services from some other source, including the possibility of the City supplying its own capacity reserves.

MODESTO AND TURLOCK IRRIGATION DISTRICTS CONTRACTS.

The City's contracts with MID and TID do not contain the same obvious opportunities for leverage, because they do not contain specific reopeners for rate negotiations or service issues. Therefore, the parties do not have established opportunities to renegotiate provisions of the contract.

Hetch Hetchy has sought to maximize revenues under the contracts through scheduling flexibility associated with the delivery of power to the Districts. Hetch Hetchy is currently scrutinizing all scheduling factors governed by the contracts as well as any flexibility it has discovered as a result of day to day operations. Any advantage which may be realized will be pursued.

A.B.M./T.M.B.

cc: Sup. Hallinan
Sup. Migden
Budget Analyst
Ted Lakey

Item 6 - File 161-92-5.1

**Note:** This item was continued at the December 16, 1992, Finance Committee meeting.

**Department:** San Francisco Redevelopment Agency (SFRA)

**Item:** Resolution approving an amendment to the Redevelopment Agency's FY 1992-93 budget.

**Description:** The proposed resolution would allocate $30,000 from a recent bond transaction fee paid to the SFRA to fund a personal services contract with a consultant to provide bilingual technical services to nonprofit organizations and 24th Street merchants as part of the 24th Street Revitalization Project.

Mr. Bob Gamble of the SFRA reports that the SFRA recently received $81,000 from the Webster Tower and Terrace bond transaction. $51,000 represents fees past due and $30,000 represents new fees. The proposed resolution would approve an amendment to the SFRA's budget to appropriate $30,000 of these revenues. The remaining $51,000 has not yet been targeted for a specific purpose.

**Comment:** The SFRA advises that the 24th Street Revitalization Committee selected Ms. Rosa Rivera, Chair of the 24th Street Physical Improvement and Preservation Subcommittee, as the consultant to provide bilingual technical services to nonprofit organizations and 24th Street merchants as part of the 24th Street Revitalization Project. The SFRA advises that Ms. Rivera would be supervised by Ricardo Noguera, Planning Coordinator of Mission Economic Development Association. Monthly invoices to the SFRA would require Ms. Rivera to itemize all community meetings, merchant consultations and loan packages. The proposed contract of $30,000 would be based on an hourly rate of $24.72 and would expire after seven months.

**Recommendation:** Approve the proposed resolution.

Item 7 - File 127-92-10

**Note:** This item was continued at the December 30, 1992 Finance Committee meeting.

**Item:** Ordinance amending Part III, Municipal Code, by adding Section 75.1 to require persons filing a statement of fictitious business name pursuant to California Business and Professions Code Section 17900 et. seq. to provide proof of compliance, including payment of all appropriate license fees, with all applicable sections of Article II of Part III of the Municipal Code.

**Description:** Under the Administrative Code, the City imposes three types of business registration requirements. All businesses in San Francisco are required to obtain a business tax registration certificate from the Tax Collector, in order for the City to enforce collection of business taxes (businesses with annual gross receipts under $15,000 are not required to pay a business tax registration fee, but still must obtain the certificate). In addition, some, but not all, businesses are required to obtain regulatory permits of various kinds, such as Health Department permits for restaurants or Fire Department permits for gas stations, which are issued by the individual departments. Finally, some, but not all, businesses are required to obtain business licenses, including, for example, licenses for laundries, sightseeing operations, theatres, automotive repairs shops, and others.

In addition, the Recorder administers the filing and issuance of fictitious business name statements, which are required of individuals who adopt a name different than their own as a name for their business.

The proposed ordinance would amend the Administrative Code to require that individuals who file a statement of fictitious business name with the Recorder must provide proof of payment of all appropriate business license fees, or a waiver of any license requirements, from the Tax Collector before the fictitious business name statement will be issued.

The proposed ordinance would not require persons filing a fictitious business name statement to present proof that they have obtained the required business tax registration certificate.

**Comments:**

1. The Recorder and the Tax Collector have previously reported that the intent of the proposed ordinance is not to require persons filing fictitious business name (FBN) statements to present proof of compliance with the City's business license requirements pursuant to Article 2 of the Administrative Code, as stated in the proposed ordinance.

Rather, the intent of the legislation is to enhance compliance with the City's business tax, by requiring all businesses filing a FBN statement to present evidence that they have obtained the business tax registration certificate, pursuant to Article 12-B of the Administrative Code.

2. This item was continued from the Finance Committee meeting of December 30, 1992 to allow for preparation of an Amendment of the Whole which would reflect that any person filing a FBN statement would be required to present a business tax registration certificate.

3. As of the writing of this report, the Amendment of the Whole had not been submitted to the Clerk of the Board for review by the Budget Analyst.

4. Mr. Richard Sullivan of the Tax Collector's Office states that he and Mr. Bruce Jamison, the City and County Recorder, wish to continue the proposed ordinance to the call of the Chair pending the submission of an Amendment of the Whole from the City Attorney.

**Recommendation:**

Continue the proposed ordinance to the call of the Chair pending the submission of an Amendment of the Whole by the City Attorney's Office.

Item 8 - File 97-92-4

Note: This item was continued by the Finance Committee at its meeting of December 30, 1992.

1. The proposed ordinance would amend the San Francisco Administrative Code by adding Section 8.35 to authorize the Director of Public Health to sell health-related materials and establishing a fund for revenues derived from such sales.

2. Under the proposed ordinance, the Director of Public Health would establish the sales price for these materials which the Department of Public Health would offer for sale to the public. The proposed ordinance specifies that the Director may consider the ability of the recipient to pay and the goal of promoting public health.

3. The proposed ordinance would also establish a special fund, the Department of Public Health Publication Fund. All monies received from the sale of any and all materials would be deposited to this new special fund. Monies in this special fund would be used specifically for the Department of Public Health purposes. The balance remaining in the fund at the close of any fiscal year shall be carried forward and accumulated in the fund specifically for purposes of the Department of Public Health.

4. According to Ms. Valerie Kegebein of the Department of Public Health's AIDS Office, the intent of the proposed ordinance is to enable the DPH to sell health promotion-related products which have been developed with private contributions and through fund raising efforts on behalf of DPH employees, such as AIDS videos for teens, brochures, books and other publications. Ms. Kegebein indicates that there has been a demand by the public for DPH developed videos and publications, but the DPH does not currently have the authority to sell these items.

5. Ms. Kegebein reports that DPH estimates that revenues from the sale of health-related items would be between $10,000 to $50,000 annually. Ms. Kegebein indicates that this estimate is based upon previous AIDS video sales by non-profit firms, such as the San Francisco Study Center. Therefore, this item was determined to have a fiscal impact.

6. As previously noted, the Director of Public Health would determine the prices of the products sold. The prices and the specific products which are likely to be sold have not have not yet been determined. However, Ms. Kegebein indicates that preliminary prices for AIDS videos sold would range between $25 to $125 each. In addition, Mr. Paul Gibson of the DPH indicates that the cost of the producing a "Teens and AIDS" pamphlet, which would likely reflect the prices charged for these pamphlets, are as follows:

| No. of Items | Cost |
|---|---|
| 1,000-4,999 | $0.40 each ($400 to $2,000 total) |
| 5,000-9,999 | $0.35 each ($1,750 to $3,500 total) |
| 10,000 and Above | $0.25 each ($2,500 and above total) |

Shipping/handling would be approximately $20 per 1,000 items

7. Ms. Kegebein also indicates that the primary goal for the use of proceeds deposited into the special fund, is to enable the DPH to develop and create additional health-related items that the DPH is currently unable to develop with grant or General Fund monies. Ms. Kegebein indicates that the DPH has not yet determined which specific items would be purchased and developed with the proceeds deposited into the new special fund.

8. Ms. Kegebein reports that the DPH may have several small expenditures for pamphlets which only may cost $1,000 throughout the year. Therefore, the DPH recommends to amend the proposed ordinance to include a dollar amount, such as $10,000, under which appropriation authority from the Board of Supervisors would not be necessary. The Budget Analyst notes that it is possible for the DPH to request appropriation authority to the Board of Supervisors for several small expenditures at one time.

## Comment

The proposed ordinance states that the Director of the Department of Public Health would annually submit in writing to the Mayor, the Controller, and the Board of Supervisors a report showing the total receipts and disbursements of the fund for the preceding year. However, the proposed ordinance does not specify that the Board of Supervisors would have appropriation authority over the funds spent from the new proposed special fund. Therefore, the proposed ordinance should be amended to provide the Board of Supervisors with appropriation authority over the expenditure of funds from the proposed new special fund.

## Recommendations

1. Amend the proposed ordinance to provide the Board of Supervisors with appropriation authority over the expenditure of funds from the Department of Public Health Publication Fund.

2. Approval of the proposed ordinance, which would amend the San Francisco Administrative Code by adding Section 8.35 to authorize the Director of Public Health to sell health-related materials and establishing a special fund for revenues derived from such sales, is a policy matter for the Board of Supervisors.

Item 9 - File 147-92-8

Note: This item was continued by the Finance Committee at its meeting of December 30, 1992.

Department: Public Library

Item: Resolution authorizing the City Librarian to apply for a donation of equipment valued at $405,416.85 available from the Corporate Contributions Committee of Digital Equipment Corporation for creating the AIDS Library/Information Network; waiving indirect costs.

Project: AIDS Library Information Network

Description: The proposed resolution would authorize the Public Library to apply for a donation of equipment, valued at $405,416.85, donated by the Corporate Contributions Committee of Digital Equipment Corporation. The equipment would likely be donated by June, 1993.

The proposed equipment donation would be used in the new Main Library and branch libraries to create an AIDS/HIV information database that will include AIDS/HIV service provider profiles. Specifically the proposed equipment donation would be used as follows:

- establishment of a centrally maintained information and referral database;
- coordination of efforts by numerous AIDS service agencies;
- replacement of multiple paper-based information and referral systems;
- reduction in duplicated efforts by AIDS service agencies;
- expanded points of access for important AIDS information and referral systems;
- expanded points of access for important AIDS information and referrals;
- improvement in the quality and uniformity of vital information.

As the AIDS epidemic has grown, funding has not kept pace with a widening need for information. The proposed equipment would be used to assist AIDS service agencies in meeting a growing demand in spite of often diminishing resources by vastly improving efficiency and establishing alternative sources for this information.

Digital Equipment Corporation (DEC) would provide computer hardware and software to establish the AIDS/HIV

information database, with a total value of $405,416.85. DEC would contribute 75 percent of the cost of the equipment, or $304,062.64, and the City and several AIDS/HIV related non-profit agencies would provide 25 percent of the cost of the equipment as matching funds to DEC, or $101,354.21 for the equipment donation.

Although the equipment donation would be made to the City, non-profit agencies which work in the areas of AIDS/HIV would also receive a portion of the total equipment donations. A breakdown of the equipment allocation is as follows:

Budget:

| Agency | Equipment Value |
|---|---|
| San Francisco Public Library | $34,544.00 |
| San Francisco AIDS Foundation | 140,339.00 |
| AIDS Service Providers Association | 45,183.00 |
| Life Center | 45,183.00 |
| Other Agencies | 48,200.00 |
| Total Equipment Purchases | $313,449.00 |
| Installation and Warranties | 91,967.85 |
| **Total Equipment** | **$405,416.85** |

**Required Match:** 25 percent of the total estimated costs of $405,416.85, which would result in a total required match of $101,354.21 for the City and the non-profit agencies. The City's portion of the required match would be $11,148.96 (See Comment #2). The City's required match of $11,148.96 consists of the City's pro-rated share of the equipment ($8,619.84) and the installation and warranties ($2,529.12).

**Indirect Costs:** None. The Public Library is requesting that indirect costs be waived for the proposed grant funds.

**Comments:** 1. The Public Library has an existing master agreement with DEC for the implementation of an automated card catalog system for the new Main Library and its branches. Under this master agreement, the City receives an estimated 21 percent discount on equipment. The total value of $405,416.85 of the equipment which would be donated to the City, and which includes $101,354.21 in 25 percent matching funds from the City and non-profit agencies, already includes this discount.

2. As noted above, the proposed grant requires that the City and the non-profit agencies provide a 25 percent match of the costs, and Digital Equipment Corporation (DEC) would pay

for 75 percent of the equipment costs, including installation and warranties. The total required match for the City would be $11,148.96. The remaining $90,205.25 of the total required matching funds of $101,354.21 would be funded by the non-profit agencies.

3. The source of funds for the City's portion of the matching funds has not yet been identified. According to Mr. Ed McBride of the Public Library, the City is currently requesting DEC to waive this required match. If DEC does not waive this required match, Mr. McBride reports that the Library Foundation of San Francisco has indicated that the required match may be funded through private donations. However, the Public Library has not yet received any written assurance from either DEC or from the Library Foundation regarding whether this required match would be waived, or whether it could be funded through private donations.

4. The proposed equipment donation includes a three year warranty, beginning in FY 1992-93 and ending in FY 1994-95. The projected annual maintenance costs, which would begin in FY 95-96, for the City and the non-profit agencies are as follows:

| Agency | Projected Annual Maintenance Costs |
|---|---|
| SF Public Library | $1,950 |
| SF AIDS Foundation | 5,520 |
| AIDS Providers Assn. | 4,440 |
| Life Center | 4,440 |
| Other Agencies | 252 |
| **Total** | **$16,602** |

These estimated annual maintenance costs beginning in FY 1995-96 would continue in subsequent fiscal years.

5. Under the proposed donation, although the equipment donated would be used by the City and several non-profit agencies, the equipment would be donated to the City, and the City would be liable if the non-profit agencies default on either providing the required matching funds or providing funds for maintenance beginning in FY 95-96. Therefore, the City could incur additional General Fund costs of $101,354.21, for one-time costs for the total required match, and $16,602.00

which could be incurred on an annual basis for maintenance costs beginning in FY 95-96.

6. According to Mr. McBride, if the other agencies default on providing the required matching funds, the Public Library would not accept the equipment for the non-profit agencies, and therefore only maintenance costs may subsequently be incurred for those non-profit agencies which have already provided the required matching funds.

7. The proposed new computer equipment is considered to be a complete package to establish the AIDS/HIV Library Information Network. However, to the extent that any of the non-profit agencies that the Public Library expects will provide matching funds for components of the system (as detailed in the project budget above), fail to provide matching funds, the AIDS/HIV Library Information Network would be incomplete and the overall efficiency of the system could be impaired.

8. The Disability Access checklist is in the Board File

9. Attached is the Summary of Grant Request Form.

10. Given that the source of funds for the required matching funds have not yet been identified, and given that the City would incur additional maintenance costs funded through the General Fund beginning in FY 1995-96, and also could incur additional General Fund costs in the event that the non-profit agencies default, approval of the proposed resolution is a policy matter for the Board of Supervisors.

**Recommendation:** Approval of the proposed resolution is a policy matter for the Board of Supervisors.

# Grant Application Information Form

A document required to accompany a proposed resolution Authorizing a Department to Apply for a Grant

To: The Board of Supervisors
Attn: Clerk of the Board

The following describes the grant referred to in the accompanying resolution:

Department: San Francisco Public Library

Contact Person: George E. McBride Telephone: 557-4215

Project Title: AIDS Library Information Network

Grant Source: Digital Equipment Corporation

Proposed (New / Continuation) Grant Project Summary:

This grant will provide computer equipment in the Library that will allow networking between three other information providers. This network will provide a database of AIDS/HIV service providers for persons with HIV/AIDS.

Amount of Grant Funding Applied for: $405,416.00

Maximum Funding Amount Available: $5.0 million

Required Matching Funds:

Number of Positions Created and Funded: N/A

Amount to be Spent on Contractual Services: $1,950 year 4 and 5

Will Contractual Services be put out to Bid? No

Application Information Form

Term of Grant: One time gift of equipment

Date Department Notified of Available funds: March 1992

Application Due Date: No date specified

Grant Funding Guidelines and Options (from RFP, grant announcement or appropriations legislation):

See attached announcement.

Kenneth E. Dale

Department Head Approval

Item 10 - File 62-92-3

**Note:** This item was continued by the Finance Committee at its meeting of December 30, 1992.

**Department:** Recreation and Park Department

**Item:** Ordinance approving a five-year lease with Frederick Lo for management and operation of the Coit Tower Facility in San Francisco, California.

**Description:** The proposed ordinance would approve a five-year lease to Frederick Lo for the management and operation of the Coit Tower Facility including the following seven services:

1. Sell and Collect Admission Fees
2. Operate the Elevator
3. Establish and Operate the Gift Shop
4. Establish and Operate a Mobile Unit Food Stand (Outdoor only after June 30, 1993)
5. Establish and Operate an outdoor Viewing Machine Concession on the Sidewalk of Coit Tower Parking Lot
6. Rental of Space for Special Events
7. Establish and Operate a Tour Guide Concession.

Under the proposed five-year lease agreement, effective when the Board of Supervisors approves the proposed ordinance, Frederick Lo would annually pay the City the greater of the following:

(a) Minimum Rent - sum of $80,226 plus 90 percent of gross receipts from admission fees

(b) Percentage Rent - based on gross receipts from the following:

| | |
|---|---|
| Admission Fees | 90% |
| Gift Shop | 20.26% |
| Food Stand | 15.26% |
| Viewing Machine Concessions | 50% |
| Special Event Rentals | 40% |
| Tour Concession | 10% |

Thus, based on Coit Tower paid admissions in FY 1991-92 of $561,438, under the proposed lease, Frederick Lo would pay the City a minimum of $585,520 annually (90 percent of $561,438 is $505,294 plus the proposed minimum annual payment of $80,226). In FY 1991-92, the Department collected a total of $571,438 in revenues from Coit Tower operations

including revenues received from the gift shop operated by the Friends of the Recreation and Park Department based on a minimum of ten percent of gross receipts. Thus, the minimum payment of proposed lease would guarantee the Recreation and Park Department approximately $14,082 more than the Department is currently receiving. In addition, the Department would reduce its costs by approximately $80,000 to $90,000 annually (See Comment 1 below).

Under the proposed lease, the City would be responsible for paying gas, electricity and water as well as to repair and maintain the facility. The lessee would be responsible for cleaning and upkeep of the facility. Currently, the City is responsible for the cleaning and upkeep at an approximate cost of $7,800 annually excluding supplies.

Since December of 1992, Frederick Lo has been running the Coit Tower Facility under a permit on a month-to-month lease pending approval of the proposed ordinance by the Board of Supervisors. Prior to December, 1992, the Recreation and Park Department operated Coit Tower except for the Gift Shop which was operated by the Friends of the Recreation and Park Department. According to Mr. Dennis Chan of the Recreation and Park Department, in FY 1991-92 when the City and the Friends of the Recreation and Park Department operated the Coit Tower facilities, the Department collected approximately $571,438 in revenues. In FY 1991-92, operation of the Coit Tower facilities cost the Department approximately $135,581 in salaries and fringe benefits.

**Comments:**

1. According to Mr. Phil Arnold of the Recreation and Park Department, the Department is proposing to contract out the operation of Coit Tower to reduce the Department's Temporary Salaries. In FY 1992-93, the Department's budget for Temporary Salaries was reduced by approximately $2 million. The Recreation and Park Department employs three permanent 3302 Vendors and one 4321 Cashier II to work at Coit Tower. These four employees would be transferred into other positions that are being funded through the Department's Temporary Salaries. The Temporary Employees who currently fill these other positions would essentially be "bumped" by the Coit Tower permanent employees. Mr. Arnold reports that by contracting out Coit Tower operations, the Department would save an estimated $80,000 to $90,000 annually in Temporary Salaries. This $80,000 to $90,000 in Temporary Salary savings would be part of the $2 million reduction in the Department's FY 1992-93 budget. Ms. Robin Bergstaller of the Recreation and Park

Department reports that the Department does not expect to lay-off Temporary Employees. Rather, the Department would not hire part-time employees on an as needed basis as has been the Department practice historically.

In addition, the Department provides approximately one hour each day of custodial services to the Coit Tower facilities. The custodian who provided the custodial services to Coit Tower would not be laid off because Coit Tower was only one of many locations the custodian cleaned. According to Mr. Mike Morlin of the Recreation and Park Department, the Department would save approximately $50.00 a week from reduced overtime expenses associated with cleaning Coit Tower on the week-ends.

2. Mr. Chan reports the proposed lease for the Coit Tower facilities was competitively bid and advertised in the Chronicle, Examiner, Independent, Sun Reporter and other minority newspapers. In addition, Mr. Chan reports that the Department sent notices to vendors on the Human Rights Commission list and the lists at the Purchaser's Office. According to Mr. Chan, eight vendors picked up bid packages for the proposed lease and two submitted bids. The other bid received was submitted by Deborah Heller-Israel, and had an estimated minimum annual guarantee of $36,000 plus 91 percent of annual admission fees or approximately $546,909 annually (based on 1991-92 paid admissions) which is approximately $38,611 annually lower than Frederick Lo's estimated minimum annual guarantee of $585,520.

3. Frederick Lo is a City certified MBE.

4. According to Mr. Arnold, the Department anticipates that revenues generated from the Coit Tower Gift Shop would increase under the proposed lease by having an experienced, professional vendor operate the shop rather than the Friends of the Recreation and Park Department, a non-profit organization.

**Recommendation:** Approve the proposed ordinance.

Item 11 - File 101-92-21

**Note:** This item was continued by the Finance Committee at its meeting of December 30, 1992.

**Department:** Department of Social Services (DSS)

**Item:** Supplemental appropriation ordinance appropriating $524,636 for permanent salaries and related mandatory fringe benefits and day care assistance.

**Amount:** $524,636

**Source of Funds:** Miscellaneous Federal and State Subventions

**Description:** The State Department of Social Services has allocated State and Federal revenues to the City to implement court-ordered childcare payments for the Non-GAIN Employment and Training Program (NET). The proposed ordinance would appropriate the funds for the mandated childcare payments and fund a Social Worker position to administer the program.

Under the terms of the court case, Miller vs. McMahon, counties are required to provide for NET childcare payments while AFDC parents attend NET programs. DSS began receiving State and Federal revenues and began making these childcare payments in September, 1992. DSS has assigned an existing GAIN Social Worker to administer the program which has been funded with the proposed Federal and State funds since September, 1992. The proposed supplemental appropriation would provide NET childcare payments through the end of the fiscal year and provide funding for an additional Social Worker to administer the program.

The Department has TXed (temporary exchange) an existing vacant Hearing Officer position to create the requested Social Worker position.

Under the NET childcare program, the NET recipient must enroll in a job training program and the NET recipient would find their own childcare provider. The childcare provider invoices the City for services provided to the NET recipient. DSS has established a childcare rate structure which DSS will reimburse the childcare provider. Currently, DSS will reimburse a childcare provider from $1.71 per hour to $6.48 per hour depending on the age of the children and the type of childcare provided such as in-home child care or child care

centers. The childcare provider is only paid for those hours spent with the NET recipient's child while the NET recipient is attending job training courses.

**Budget:**

| | |
|---|---|
| Permanent Salaries | |
| 2912 Sr. Social Worker (10 months funding) | $30,551 |
| Fringe Benefits | 7,708 |
| DSS Administration | 15,783 |
| Childcare Services | 486,377 |
| Total | $540,419 |

**Comments:**

1. As reflected in the proposed budget above and as certified by the Controller, DSS would receive $540,419 instead of $524,636 as the proposed ordinance currently reads. Thus, the proposed ordinance should be amended to appropriate $540,419 instead of $524,636.

2. As previously noted, the Department of Social Services began receiving State and Federal monies and began childcare payments and paying the salary of the Sr. Social Worker in September, 1992. Therefore, the proposed ordinance should be amended to appropriate the $540,419 retroactively.

3. The $15,783 budgeted for DSS administrative expenses would reduce the City's General Fund contribution to DSS's administrative costs.

4. Ms. Sally Kipper of DSS reports that this is the first time DSS has provided NET childcare payments. As such, Ms. Kipper advises that DSS is unsure how much DSS will actually require in FY 1992-93 for NET childcare payments. DSS currently has 150 people in the NET program. However, Ms. Kipper believes this number will increase through the fiscal year. The proposed $540,419 is the amount the State is subvening to the City for these services. However, Ms. Kipper advises that the State will only pay the City for expenses incurred. Therefore, if the City spends less than $540,419 for the NET childcare program, the City will receive less than $540,419 from the State. As previously noted, the amount of childcare required by the NET recipients depends on the number of hours the recipient is enrolled in job training courses.

5. The proposed TX of an existing Hearing Officer position to create a Social Worker position is only for FY 1992-93. The Department will substitute the Hearing Officer position for

the proposed Social Worker position in the Department's FY 1993-94 budget.

6. Ms. Kipper also advises that the source of State and Federal funding for the NET childcare program in FY 1993-94 has not been established.

**Recommendation:** Amend the proposed ordinance to:

1. Appropriate $540,419 instead of $524,636 as the proposed ordinance currently reads.

2. Appropriate the $540,419 retroactively.

Approve the proposed ordinance as amended.

Memo to Finance Committee
January 13, 1993

Item 12 - File 61-92-7

**Department:** Public Utilities Commission (PUC)
Water Department

**Item:** Resolution granting an extension of time for awarding Water Department Contract No. WD-2123, City Distribution Division Machine Shop Upgrade.

**Description:** The proposed resolution would extend the period of time for the PUC to award a Water Department, City Distribution Division contract to upgrade the machine shop located at 1990 Newcomb Avenue in the City. Section 6.1 of the Administrative Code stipulates that award of contracts over $500,000 must be made within 30 days after the receipt of bids unless the time for the award is extended by resolution of the Board of Supervisors. Section 6.1 also provides for a 30-day extension period in order to develop, implement or improve a qualifying affirmative action nondiscrimination program, as required by Section 12B of the Administrative Code. Since bids for Contract No. WD-2123 were received and publicly opened on July 13, 1992, the total 60-day period extended to September 11, 1992.

The contracted work consists of remodeling the mezzanine air space within the existing Machine Shop Building into two offices for the building supervisor and secretarial staff. The construction includes excavation, concrete foundation, structural steel framing, elevated concrete slab, heating, ventilation and air conditioning (HVAC) system work, electrical panels, utilities, architectural finishes and office furnishings.

The estimate of PUC's Utilities Engineering Bureau (UEB) to accomplish the construction work was $224,000 and 120 calendar days are allowed to complete the work specified in the contract after award of contract. The funds for the project have already been allocated from the Water Department's FY 1991-92 Capital Improvement Program funds.

The PUC reports that the Department received qualified bids from three contracting firms as follows:

| Contractor | Bid Amount | MBE/WBE Status |
|---|---|---|
| AR Construction Company | $201,849.01 | MBE |
| A. Ruiz Construction Company | 236,568.00 | MBE |
| Eligom International Construction | 247,700.00 | MBE |

AR Construction Company was selected as the low bid contractor for the proposed project. According to Mr. Deane Gough of the Utilities Engineering Bureau (UEB), the second bidder, A. Ruiz Construction filed a protest against the bid submitted by AR Construction Company. UEB staff provided an analysis and response to the protest which A. Ruiz Construction did not further contend. Subsequently, the PUC Contract Compliance Office discovered inconsistent affirmative action goals documentations in the AR Construction bid package which required further review by PUC legal counsel. While this matter was resolved in favor of AR Construction, the time required to resolve the protest and to review further affirmative action documentation resulted in the subject contract not being awarded within the 60 day period (by September 11, 1992) specified in Section 6.1 of the San Francisco Administrative Code.

**Comments:**

1. Mr. Gough advises that the PUC awarded the subject contract to A R. Construction Company on November 24, 1992. Therefore, the actual period of time that elapsed from the date the bids were received (July 13, 1992), to the award of the contract, was 134 days.

2. Since the PUC has already awarded the subject contract to AR Construction Company, the proposed legislation should be amended to retroactively grant an extension for the PUC to award the Water Department Contract No. WD-2123.

3. The Department of City Planning, in accordance with the provisions of Chapter 31, Section 31.22(a) of the San Francisco Administrative Code, has determined that this project is categorically exempted from the California Environmental Quality Act (CEQA) and other State guidelines for environmental review.

**Recommendation:** Amend the proposed resolution to retroactively grant an extension of time for the PUC to award the subject contract and approve the resolution as amended.

Item 13 - File 172-92-22

**Department:** Public Utilities Commission (PUC)
Municipal Railway (MUNI)

**Item:** Resolution authorizing the Municipal Railway to modify an existing contract with Breda Costruzioni Ferroviarie S.p.A. to purchase 5 additional light rail vehicles and make other related changes including extending the contract period to June 4, 1993, for the purpose of exercising the purchase of the remaining 15 option vehicles.

**Amount:** $10,985,000

**Source of Funds:** Federal Transit Administration (FTA) Section 3 Grant Funds

**Required Match:** None

**Time Extension:** Six Month Extension from December 4, 1992 to June 4, 1993

**Description:** On May 22, 1989, the Board of Supervisors approved Resolution 403-89 (File 94-89-2) which authorized the PUC to apply for, accept and expend $60,224,066 in Federal FTA Section 3 and local match funds to acquire an additional 40 light rail vehicles (LRVs) for planned rail extensions and projected ridership growth throughout the expanded fixed rail network for the City. At that time it was anticipated and projected that a purchase contract for 40 LRVs would cost $53,000,000 or $1,325,000 per LRV. This purchase was not made.

Instead, on November 12, 1991 the Board of Supervisors authorized the PUC to enter into a contract with Breda Costruzioni Ferroviarie S.p.A. of Italy to manufacture 35 LRVs, using a combination of Federal FTA Section 3 and local matching funds totaling $83,770,790 of which $72,765,000 would be needed to manufacture the 35 LRVs ($2,079,000 per LRV). Subsequently, on December 4, 1991, the Municipal Railway (MUNI) entered into a purchase agreement with Breda Costruzioni Ferroviarie S.p.A. to acquire the 35 LRVs. The contract included an option to purchase up to 20 additional LRVs within one year at $2,197,000 per LRV.

On October 23, 1992, MUNI and Breda Costruzioni Ferroviarie S.p.A. agreed to a contract modification which provided for these changes as follows:

- Five (5) additional LRVs would be ordered before the December 4, 1992 original expiration date for the option to purchase 20 additional LRVs;

- the expiration date for the option to purchase the remaining 15 LRVs (20 less 5) would be extended six months from December 4, 1992 to June 4, 1993, with no increase in the purchase price;

- various changes to technical specifications and the furnishing of additional parts at no additional cost;

- increase vehicle warranty from 5 years to 10 years; and

- the contract schedule would be extended by two months with delivery of the four prototype vehicles delayed by an additional two months. Delivery of the first two prototypes will change from October 1993 to February 1994. The second two prototypes will be delayed from December 1993 to April 1994. Ten months after producing the second two prototypes (February 1995), the first production cars will be delivered. This delay covers all the resolved specification changes as negotiated between MUNI and Breda Costruzioni Ferroviarie S.p.A. and will not be subject to a later claim by the contractor.

The proposed contract amendment would increase the current contract with Breda Costruzioni Ferroviarie S.p.A. by $10,985,000 from $82,087,695 to $93,072,695, as follows:

| Description | Cost per LRV | No. of LRVs | Total Cost | |
|---|---|---|---|---|
| Original Contract (LRV Cost) | $2,079,000 | 35 | $72,765,000 | |
| Related Costs including Tooling Spare Parts, Training, Manuals and Test Equipment | | | 9,322,695 | |
| Subtotal Original Contract | | | | $82,087,695 |
| Amendment (subject of this legislation) | 2,197,000 | 5 | | 10,985,000 |
| Total Amended Contract | | 40 | | $93,072,695 |

**Comments:**

1. PUC Finance Bureau has provided the following summary of the sources and uses of the total funding pertaining to the LRV Contract with Breda Costruzioni Ferroviarie:

| | | |
|---|---|---|
| Sources: | | |
| FTA (formerly UMTA) Section 3 Grant Funds | | $45,168,048 |
| State Guideway Grant | | 10,018,112 |
| State Urban Rail | | 5,000,000 |
| Bridge Tolls, AB 664 | | 992,750 |
| Bridge Tolls, Measure 1 | | 3,792,854 |
| Transit Impact Development Fee | | 13,434,076 |
| Transportation Authority Sales Tax Revenues | | 12,900,000 |
| Safe Harbor Lease Revenues | | 8,000,000 |
| Total Sources | | $99,305,840 |
| Uses: | | |
| Pre-Contract Costs: | | |
| Specification and Bid Process | $1,113,000 | |
| Purchasing Contract Consultant (Booz-Allen and Hamilton) | 370,095 | |
| MUNI Purchasing support | 200,000 | |
| Subtotal | | $1,683,095 |
| Contract Costs: | | |
| Purchase of 35 Light Rail Vehicles (LRVs) | 72,765,000 | |
| Purchase of 5 Additional LRVs (subject of this legislation) | 10,985,000 | |
| Tooling | 3,664,474 | |
| Spare Parts | 3,350,893 | |
| Training | 348,283 | |
| Manuals | 852,243 | |
| Test Equipment | 1,106,802 | |
| Subtotal | | 93,072,695 |
| Contingency: | | 4,550,050 |
| Total Uses | | $99,305,840 |

2. Mr. Jerry Levine of PUC Finance Bureau advises that it is intended to fund the $10,985,000 purchase of the 5 additional LRVs from the $45,168,048 FTA Section 3 funds component of the total $99,305,840 funds received for the purchase of new LRVs.

3. In addition, Mr. Levine advises that MUNI has placed its order to Breda Costruzioni Ferroviarie S.p.A. for the subject 5 additional LRVs but is withholding a notice to proceed with the purchase until the Board of Supervisors approves the subject resolution.

4. Mr. Levine also advises that the option to purchase an additional 15 LRVs would be at the same price of $2,197,000 per vehicle ($32,955,000 for 15 LRVs) as the price agreed to in the subject contract modification.

5. Mr. Levine further advises that the furnishing of additional parts at no additional cost is limited to 7 sets of track brake wear plates as replacements. The value of these parts is estimated to be $43,680.

**Recommendation:** Approve the proposed resolution.

Item 14 - File 65-92-21

| | |
|---|---|
| **Department:** | Mayor's Office of Housing<br>Department of Real Estate |
| **Item:** | Ordinance authorizing and approving a sublease of real property located at 701 Frederick Street, commonly known as the former boys' gym of Polytechnic High School. |
| **Location:** | 701 Frederick Street |
| **Purpose of Sublease:** | Teaching and training facility for circus artists. |
| **Sublessee:** | The Pickle Family Circus |
| **No. of Sq. Ft.:** | Approximately 7,240 square feet |
| **Annual Revenue:** | One dollar |
| **% Increase Over 1991-92:** | None |
| **Utilities and Janitor Services:** | To be paid by sublessee, the Pickle Family Circus |
| **Term of Sublease:** | June 1, 1992 through May 31, 1994 |
| **Escalation:** | None |

**Comments:**

1. The Polytechnic High School, located at 701 Frederick Street, is owned by the San Francisco Unified School District (SFUSD), but has been leased by SFUSD to the City for a period of 75 years. According to the Department of Real Estate, in 1985 the City pre-paid $2.5 million to SFUSD, which was determined to be the value of the 75-year lease. Through the Mayor's Office of Housing, 114 low and moderate income housing units were constructed on the property and sold to qualified buyers.

In April, 1990 the Board of Supervisors approved a sublease of the former boys' gymnasium of the Polytechnic High School with the Pickle Family Circus (File 64-90-6). At that time, the Mayor's Office of Housing reported that the former boys' gymnasium had been vacant and in a state of disuse for approximately 13 years. The Mayor's Office of Housing also reported in April, 1990 that the sublease which commenced in June, 1990 with the Pickle Family Circus, with annual consideration consisting of one dollar and specified circus performances, was a temporary arrangement until a long-term use for the facility could be

identified. The Mayor's Office of Housing reported in 1990 that it was preparing a Request for Proposal (RFP) to identify potential long-term uses for the gymnasium.

2. Mr. Ted Dientsfrey, Director of the Mayor's Office of Housing states that an RFP has not been yet been issued for the former boys' gymnasium at Polytechnic High School. Mr. Dientsfrey states that neighborhood residents in the vicinity of the facility have expressed interest in developing a community center on the property, and the Mayor's Office of Housing intends to initiate discussions with neighborhood residents concerning such a proposal.

However, Mr. Dientsfrey reports that a major impediment to developing a long-term use for the facility is the need for major structural improvements to the facility. Mr. Dientsfrey states than any proposal to develop a long-term use for the property would have to identify a program or activity to be housed at the facility as well as a source of funds to make structural improvements, including seismic strengthening and roofing improvements.

Mr. Mark Delaney of the Mayor's Office of Housing states that the renovations needed at the former boys' gymnasium include repairs to heating and plumbing facilities, modifications to ensure compliance with fire codes and provide handicapped access, floor repairs, and installation of walls or partitions to convert the gymnasium to an alternative use. Mr. Delaney states that the cost of the repairs needed at the facility is estimated at approximately $1.6 million.

Mr. Dientsfrey indicates that the Mayor's Office of Housing may issue an RFP during calendar year 1993 in an effort to identify prospective tenants and potential uses for the property. Depending on the type of activity which could be housed in the facility, Mr. Dientsfrey states that Community Development Block Grant funds may be used to finance the necessary repairs and modifications of the gymnasium.

3. In view of the need for major improvements to the facility, Mr. Dientsfrey states that the proposed sublease with the Pickle Family Circus is not an economic arrangement to generate revenue for the City, but a care-taking arrangement to prevent the "wasting of a public asset." The regular presence of the Pickle Family Circus at the facility discourages vandalism and provides input concerning conditions at the facility, such as leaks in the

roof, which should be corrected in order to prevent serious long-term damage to the building interior.

4. In addition to an annual rental payment of $1.00, the Pickle Family Circus would provide several circus performances in consideration for its use of the premises during the term of the proposed sublease. The proposed sublease states that the Pickle Family Circus would provide a team of circus artists twice each year to visit a facility designated by the City, and that its performances at these facilities would be presented without charge for admission. In addition, the proposed sublease states that the Pickle Family Circus would provide the City with 100 tickets to a rehearsal of its Winter Holiday show at the Palace of Fine Arts.

Mr. Delaney states that the proposed sublease may be amended to permit the Pickle Family Circus to provide other services in-kind, in lieu of the two circus performances and 100 tickets to the Winter Holiday show as specified in the proposed sublease, through mutual agreement between the Pickle Family Circus and the Mayor's Office of Housing.

5. Mr. John Paneri of the Department of Real Estate states that information on the fair market value of gymnasium facilities is not available, since the Department of Real Estate has not conducted market surveys concerning such facilities and the market demand for gymnasia is not well established.

6. The term of the proposed sublease would be June 1, 1992 through May 31, 1994, and does not contain a right of renewal. According to Mr. Paneri, the Department of Real Estate has not executed the sublease with the Pickle Family Circus, and is awaiting authorization from the Board of Supervisors in order to do so. Since the Pickle Family Circus has occupied the premises since the expiration of the previous sublease on May 31, 1992, the proposed sublease would apply retroactively to June 1, 1992. However, since the sublease has not yet been executed, the proposed ordinance, which would authorize the Department of Real Estate to prepare and execute the sublease, need not ratify previous actions of the Department of Real Estate.

**Recommendation:** Approval of the proposed sublease, at an annual rental rate of one dollar over the two year term of the sublease, is a policy matter for the Board of Supervisors.

Item 15 - File 101-92-27

1. The proposed resolution would establish $1,010,373,434 as the 1992-93 net appropriation limit for the City and County of San Francisco as required by Article XIII B of the California Constitution.

2. On November 6, 1979, California voters approved Proposition 4, known as the Gann Initiative, which added Article XIII B to the California Constitution. Article XIII B limits the growth of appropriations from the proceeds of taxes of the State of California and local governments to the percentage change in population and the lesser of the percentage change in the cost of living or in per capita personal income. The State Government Code requires that each local government establish its appropriation limit (Gann Limit) by resolution each year.

3. The City's net Gann Limit must be adjusted for Trial Court Funding revenues. A transfer of an estimated $15,555,000 of the City's Gann Limit must be made to the State of California in order to receive a State Trial Court Funding Block Grant of an equivalent amount. The State requires that the City and County Gann Limit be decreased by the net revenue amount that the City and County will receive from the State for Trial Court Funding so that the State Gann Limit can be increased by that same amount.

4. The Controller has computed the 1992-93 Gann Limit as follows:

| | |
|---|---|
| 1991-92 Revised (See Comment 4) Gross Gann Limit | $1,015,177,702 |
| Adjusted by: | |
| Decrease in California per Capita Personal Income | (0.64%) |
| Increase in Population | 1.71% |
| 1992-93 Gross Gann Limit | $1,025,928,434* |
| Less Trial Court Funding Revenues | 15,555,000 |
| 1992-93 Net Gann Limit | $1,010,373,434 |

* 0.9936 (1 less 0.0064) times 1.0171 equals 1.010590 times $1,015,177,702.

5. The Controller's Office monitors revenues affected by the Gann Limit throughout the year. At year end, a final computation is prepared comparing actual proceeds of taxes to the Gann Limit. At that time, two tests must be met. First, all actual proceeds of taxes must be below the Gann Limit; and second, all actual proceeds of taxes collected must be appropriated. If either test is not met, excess revenues collected must be returned to the taxpayers within two years.

6. The amount appropriated in the City's fiscal year 1992-93 budget that is subject to the Gann Limit is $937,851,718 which is $72,521,716 less than the net

1992-93 Gann Limit of $1,010,373,434. In accordance with the Annual Appropriation Ordinance, all other 1992-93 tax proceeds are appropriated to the City's General Fund General Reserve (Contributed Revenue Reserve), which is used to fund supplemental appropriations during the current fiscal year and the City's budget for the next fiscal year.

Comments

1. The Gann Limit was first applied in 1980-81 using the actual 1978-79 appropriations that would have been subject to the limit, had it existed then, as the base year (as called for by Article XIII B of the California Constitution). The 1978-79 base was adjusted for changes in per capita personal income, cost of living and population to obtain the 1980-81 limit. In each successive year, the prior year's limit was used as the base for computation of the new limit.

2. State Proposition 111, approved by the voters in June 1990, made several changes to the Article XIII B (3) which are reflected in the City's computations as follows:

- the term "change in the cost of living" was redefined as the percentage change in the California Per Capita Personal Income (CPCPI) from the preceding year for all years after 1990-91.

- the appropriations limit for fiscal year 1992-93 was computed by adjusting the 1986-87 figures using the CPCPI for each subsequent year.

- appropriations for "Qualified capital outlay as defined by the legislature" are excluded from proceeds of taxes. This results in a reduction of $11,286,558 for fiscal year 1992-93, from appropriations of proceeds of taxes subject to the limit.

3. The City Attorney has previously advised that the City's contributions to fund certain voter approved employee benefits constitute "debt service" under Article XIII B. Therefore, appropriations of taxes used to meet those obligations could be excluded from both the calculation of the City's annual appropriations limit and from appropriations subject to the limit. In the case of Santa Barbara Taxpayers Association v. County Santa Barbara, the Court of Appeals held that appropriations made by that County to its retirement system were not "debt service" within the meaning of Article XIII B, and therefore must be included in calculations of both the appropriation limit and of appropriations subject to that limit. The State Supreme Court declined to review the case. The City Attorney was of the opinion that the Santa Barbara decision was wrongly decided and that the retirement system at issue in that case may in fact be significantly different from San Francisco's system. In 1989, the City Attorney advised the Controller's Office that continuing to treat mandatory employee fringe benefits as the City has done until 1992-93, would preserve the City's opportunity to challenge the Santa Barbara decision.

4. Litigation was subsequently filed by the San Francisco Taxpayer's Association to challenge the City's determination to exclude appropriations to fund the City's Employee Retirement System from proceeds of taxes subject to the Gann Limit. While a motion for summary judgment filed by the Association was granted in favor of the Association, the City prevailed with the Court of Appeals which held that "the City's contributions to the voter approved retirement fund constitute a legally authorized contractual "debt service" which is expressly exempted from the Gann spending limitation". The State Supreme Court held that the appropriations made by the City to its retirement system were not considered to be debt service and therefore must not be excluded from calculations of both the appropriation limit and the appropriations subject to the Gann Limit. Pursuant to ruling by the State Supreme Court, the Controller has recomputed the base year limitation to exclude retirement contributions. The revised 1991-92 Gann Limit based on the recomputed base year limitation is $1,015,177,702.

5. In addition, based upon the City Attorney's memorandum of opinion of June 14, 1988, the City is excluding Court and Federal mandates from appropriations subject to the limit. The City Attorney has advised that the exclusion of Court and Federal mandates is consistent with the meaning of Article XIII B. No legal challenges have been filed questioning this interpretation. The five mandates for FY 1992-93 totaling $54,649,943 that were identified by a survey of all City departments and verified by the Controller's Office are as follows:

| | |
|---|---|
| Police Consent Decree | $15,389,111 |
| Jail Overcrowding | 15,503,220 |
| Federal Resource Conservation Act (Toxics) | 4,641,506 |
| Firefighters Consent Decree | 10,453,359 |
| Back Pay Cases | 8,662,747 |
| Total Court and Federal mandates | $54,649,943 |

**Recommendation**

Approve the proposed resolution.

Item 16 - File 101-92-29

1. This item is a hearing to consider appropriating $131,500 (a supplemental appropriation) to the Assessor's Professional Services budget for 1992-93 to be deposited with Contra Costa County, acting as administrator, for obtaining professional consultants regarding a ten-county joint Phase I effort to defend a joint property reassessment by the ten counties of the Viacom International, Inc. (Viacom) cable television company's property.

2. In 1987, Viacom reported a change of ownership which, under the provisions of Proposition 13, requires the San Francisco County Assessor to reappraise Viacom's property in order to determine the property's value for assessing property taxes. Because Viacom purchased the cable television systems in ten California Counties counties (including Alameda, Butte, Colusa, Contra Costa, Marin, Napa, Shasta, Sonoma, Tehama and San Francisco) at the same time, the ten counties pooled their resourses to perform a joint reappraisal of Viacom's property. The joint reappraisal was then used by each of the ten counties to make their reassessments of property taxes for Viacom begining in 1987.

3. Viacom has challenged the joint reappraisal by the ten counties both legally and through assessment appeals processes in all of the ten counties. Again acting jointly, the ten County Assessors are preparing a defense of the joint reappraisal that has been used as the basis for assessing property taxes on Viacom since 1987. In Phase I of this defense, the ten counties will retain professional consultants to perform an analysis of the joint reassessment regarding its correctness and assist the ten counties' attornies in preparing the defense of the joint reassessment. The professional titles and rates of pay for the consultants have not yet been determined.

4. The Phase I contributions of each of the ten counties based on their relative number of cable television subscribers are as follows:

| County | Percent Allocation | Contribution |
|---|---|---|
| Alameda | 12.98 | $46,000 |
| Butte | 3.38 | 11,900 |
| Colusa | 0.33 | 1,200 |
| Contra Costa | 15.21 | 53,900 |
| Marin | 15.27 | 54,100 |
| Napa | 3.42 | 12,000 |
| San Francisco | 37.16 | 131,500 |
| Shasta | 5.24 | 18,600 |
| Sonoma | 6.04 | 21,400 |
| Tehama | 0.97 | 3,400 |
| Total | 100.00 | $354,000 |

5. The County Assessors of the ten counties have designated Contra Costa County to act as administrator of the funding for this project. The proposed supplemental appropriation (draft) would provide for the payment of $131,500 to Contra Costa County as San Francisco's share of the costs of obtaining the professional consultants.

**Comments**

1. The Assessor's Office reports that Viacom's property tax assessment increased by approximately $2.0 million in 1987 as a result of the reappraisal of Viacom property. Therefore, since 1987, the City has accrued approximately $10.0 million in increased property taxes from Viacom for the five year period from 1987 to 1992. The Controller's Office reports that in 1991 Viacom agreed to pay the back taxes owed over a five year period and that Viacom is up-to-date in making the payments required by that agreement. However, as previously noted, Viacom has challenged this reappraisal.

2. In October, 1991 Viacom began including a $1.55 increase in their monthly charges to subscribers ( $18.60 annually) in order to pass the increase in property taxes resulting from the reassessment of Viacom's property through to the subscribers. At $18.60 annually for each of the approximately 154,000 cable subscribers, this increase in the monthly charge would generate approximately $2.9 million annually that would recover all of the current year's increased property tax based on the reappraisal plus a portion of the back taxes owed for the years from 1987 to 1991. The Internal Audits Division of the Controller's Office has analyzed Viacom's basis and calculations of the $1.55 monthly charge.

3. The Assessor's Office and the City Attorney have not projected future activities or costs of this project beyond the proposed Phase I analysis of the joint reappraisal.

Harvey M. Rose

cc: Supervisor Migden
Supervisor Hallinan
President Alioto
Supervisor Achtenberg
Supervisor Bierman
Supervisor Conroy
Supervisor Hsieh
Supervisor Kaufman
Supervisor Kennedy
Supervisor Maher
Supervisor Shelley
Clerk of the Board
Chief Administrative Officer
Controller
Jean Mariani
Barbara Kolesar
Ted Lakey

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CALENDAR -- [Actions Taken]

MEETING OF
BUDGET COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

WEDNESDAY, JANUARY 20, 1993 - 2:00 P.M. ROOM 228, CITY HALL

MEMBERS: SUPERVISORS MIGDEN, HSIEH, SHELLEY

ABSENT: SUPERVISOR MIGDEN

CLERK: KAY GULBENGAY

NOTE: Copies of the Budget Analyst's Report will be available for review on the counter in the Office of the Clerk of the Board, Room 235, City Hall, 10:00 a.m., the date of the meeting.

## CONSENT CALENDAR

1. All matters listed hereunder constitute a Consent Calendar, are considered to be routine by the Budget Committee, and will be acted upon by a single roll call vote of the Committee. There will be no separate discussion of these items unless a member of the Committee or a member of the public so requests, in which event the matter shall be removed from the Consent Calendar and considered as a separate item.

   (a) File 79-92-3.1. [Release of Funds] Requesting release of reserved funds, Mayor's Office of Community Development, in the amount of $86,359, public service funding for the Mayor's Office of Children, Youth and Their Families. (Mayor's Office of Community Development)

   ACTION: Continued to February 10, 1993 meeting.

   (b) File 79-91-2.6. [Release of Funds] Requesting release of reserved funds, Mayor's Office of Community Development, in the amount of $100,000, for required audits of subrecipients of community Development Block Grant funds, (contractor Calvin Louie, CPA). (Mayor's Office of Community Development)

   ACTION: Release of $100,000 recommended. Filed

   (c) File 133-92-2.3. [Release of Funds] Requesting release of reserved funds, Chief Administrative Officer/Solid Waste Management Program, in an amount totalling $241,000, for market research and marketing and advertising services, Barnes Clarke, Inc. (contractor). (CAO/Solid Waste Management Program)

   ACTION: Continued to January 27, 1993 meeting.

(d) File 133-92-2.4. [Release of Funds] Requesting release of reserved funds, Chief Administrative Officer/Solid Waste Management Program, in the amount of $4,500, for printing of a student recycling handbook. (CAO/Solid Waste Management Program)

ACTION: Release of $4,500 recommended. Filed.

(e) File 146-92-26.2. [Release of Funds] Requesting release of reserved funds, Department of Public Health, AIDS Office, in the of amount $99,339, for street based outreach intervention, to high-risk youth in the Haight Ashbury neighborhood, (contractor) Haight-Ashbury Free Clinics, Inc. (Department of Public Health)

ACTION: Release of $99,339 recommended. Filed.

## REGULAR CALENDAR

2. File 30-93-1. [CHIP Funds/1992-93] Resolution authorizing adoption of the County description of proposed expenditure of California Healthcare for Indigents Program (CHIP) Funds for fiscal year 1992/93 and that the chairperson or duly authorized representative of the Board of Supervisors of the City and County of San Francisco can certify the County description of proposed expenditure of the CHIP Funds for fiscal year 1992/93. (Department of Public Health)

ACTION: Hearing held. Recommended.

3. File 97-92-67. [Board of Supervisors - Fees] Ordinance amending Administrative Code by adding Section 8.37 thereto, authorizing the Clerk of the Board of Supervisors to collect fees to defray the cost of mailing and providing copies of documents relating to the business of the Board of Supervisors, and authorizing the Clerk of the Board to waive, in exigent circumstances, the fees authorized by this section. (Clerk of the Board)

ACTION: Hearing held. Continued to February 3, 1993 meeting.

4. File 170-93-1. [Equipment Lease] Ordinance providing for the approval and execution and delivery by Officers of the City and County of San Francisco of an Equipment Lease Supplement No. 2 between the City and County of San Francisco Finance Corporation, as lessor and the City and County of San Francisco, as lessee with respect to equipment to be used for City purposes and the related certificate of approval; providing for reimbursement to the City of certain City expenditures prior to the issuance of lease revenue bonds and approving the issuance of Lease Revenue Bonds by said nonprofit corporation; and providing that said bonds shall be subject to the certification of the Controller of the City and County of San Francisco prior to the sale of said bonds; and providing for the execution of documents in connection therewith and ratifying previous actions taken in connection therewith. (Chief Administrative Officer)

ACTION: Hearing held. Continued to January 27, 1993 meeting.

5. File 102-92-13. [Public Employment] Ordinance amending Annual Salary Ordinance, 1992-93, Mayor's Office of Children, Youth and Their Families, reflecting the addition of five positions (Classifications 9786 Assistant to Mayor III (1), 9782 Assistant to Mayor I (1), 9740 Staff Assistant IV, Special Project (1), 1632 Sr. Account Clerk (1), 1422 Jr. Clerk Typist (1). (Civil Service Commission) (Companion measure to File 101-92-31)

   ACTION: Hearing held. Continued to January 27, 1993 meeting.

6. File 101-92-31. [Government Funding] Ordinance appropriating $70,804, Mayor's Office of Children, Youth and their Families, for permanent salaries - miscellaneous and related mandatory fringe benefits and rescinding $56,742 from other contractual services, for the creation of five positions. (Supervisor Achtenberg)

   ACTION: Hearing held. Amended on page 1 line 2 (title) by replacing "$56,742" with $46,742".
   New Title: "Appropriating $70,804 for permanent salaries - Miscellaneous and related mandatory fringe benefits and rescinding $46,742 from other contractual services, for the creation of five (5) positions, Mayor's Office of Children, Youth and Their Families for fiscal year 1992-93."
   Continued to January 27, 1993 meeting.

Public Library, Documents Dept.
ATTN: Jane Hudson

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CITY AND COUNTY OF SAN FRANCISCO

# BOARD OF SUPERVISORS

BUDGET ANALYST
1390 MARKET STREET, SUITE 1025
SAN FRANCISCO, CALIFORNIA 94102 • TELEPHONE (415) 554-7642

January 15, 1993

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**TO:** Budget Committee

**FROM:** Budget Analyst Recommendations

**SUBJECT:** January 20, 1993 Budget Committee Meeting

Item 1a - File 79-92-3.1

**Department:** Mayor's Office of Community Development (MOCD)

**Item:** Release of Reserved Funds

**Amount:** $86,359

**Source of Funds:** 1992 Community Development Block Grant (CDBG) Program

**Description:** The Board of Supervisors previously authorized the Mayor to apply for, receive and expend the City's 1992 Community Development Block Grant (CDBG) entitlement from the U. S. Department of Housing and Urban Development, Resolution No. 975-92 (File 79-92-3). At the same time, the Board of Supervisors placed $86,359 on reserve, which had been earmarked for public service funding for the Mayor's Office of Children, Youth and Their Families (MOCYF). The reserve was placed on such funds pending Civil Service review and classification approval of two new staff positions for the Mayor's Employment Opportunities 1000 (EO 1000) Program. The Board of Supervisors did approve $13,641 for various overhead costs (rent, supplies and equipment) for the EO 1000 Program. The goal of the EO 1000 Program is to place 1,000 youth graduates of various youth training programs into permanent jobs.

The released funds would be used to hire two new positions for EO 1000 Program and pay for 10 percent of the MOCYF Director's salary to manage this program, as follows:

| Personnel | |
|---|---|
| 2-9736 Staff Assistant II, Special Project (Temporary Positions) | $68,058 |
| 1-9792 Assistant to Mayor VI (10 percent) | 7,193 |
| Mandatory Fringe Benefits | 8,675 |
| Total Personnel Costs | $83,926 * |

* MOCYF's Project Budget of $83,926 is $2,433 less than the requested release of funds totaling $86,359.

The Mayor's EO 1000 Program will augment current local efforts to place 1,712 youth into jobs by an additional 1,000 youth job placements. The EO 1000 Program will focus on matching trainees of the City's many community-based employment agencies with existing opportunities for gainful employment with local firms. A total of 41 community based employment agencies are currently under contract with the Mayor's Office of Community Development (MOCD) and the Private Industry Council (PIC) as follows:

| Funding Agency | Number of Contracts |
|---|---|
| Mayor's Office of Community Development (MOCD) | 14 |
| Private Industry Council (PIC) | 15 |
| Both MOCD and PIC | 12 |
| Total Contracts | 41 * |

* Awarded to 35 nonprofit agencies.

Another objective of the EO 1000 Program is to find jobs for graduate trainees in the two Department of Social Services programs entitled Greater Avenues for Independence (GAIN) and General Assistance Training Employment Services (GATES).

**Comments:**

1. The current annual youth job planned placement goals for the 35 non-profit agencies (41 total contracts currently funded by MOCD and PIC) total 1,712 youth job placements as follows:

| Organization | Planned Placements |
|---|---|
| **Mayor's Office of Community Development (MOCD) Contracts** | |
| Careers Abound | 60 |
| Central City Hospitality House | 165 |
| Charity Cultural Services Center | 73 |
| Chinese for Affirmative Action | 70 |
| Chinese Newcomers Service Center | 52 |
| Community Alliance Program for Ex-offenders, Inc. | 72 |
| Horizons Unlimited | 160 |
| Ingleside Community Center | 96 |
| Mission Hiring Hall, Inc. | 140 |
| Mutual Assistance Association Council, Inc. | 84 |
| Oceanview, Merced, Ingleside Community Association (OMICA), Inc. | 60 |
| Samoa Mo Samoa, Inc. | 72 |
| Third Baptist Church | 54 |
| Young Community Developers | 72 |
| Subtotal | 1,230 |
| **Private Industry Council (PIC) Contracts** | |
| Arriba Juntos | 10 |
| Asian Neighborhood Design | 14 |
| Bay Urban League | 8 |
| Career Resources Development Center | 21 |
| Chinese for Affirmative Action | 1 |
| City College of San Francisco, John Adams | 4 |
| Community Educational Services | 22 |
| Engineering Societies Committee for Manpower | 3 |
| Filipino American Center | 12 |
| Jewish Vocational Service | 2 |
| Renaissance Experience Plus | 0 |
| San Francisco Vocational Services | 4 |
| Swords to Plowshares | 0 |
| Vietnamese Youth Development Center | 8 |
| Youth Guidance Center/Improvement Committee | 34 |
| Subtotal | 143 |
| **Contracts with both MOCD and PIC** | |
| Chinatown American Cooks School | 46 |
| Chinatown Youth Center | 100 |
| Korean Center, Inc. | 5 |
| Mission Language & Vocational School | 139 |
| Northern California Service League | 42 |
| Potrero Hill Community Development Center | 7 |
| Subtotal | 339 |
| Total Planned Job Placements for Youth | 1,712 |

2. Mr. Frank Grimmelman of MOCYF advises that the MOCYF would find a substantial portion of such added job placements with large businesses located in the downtown area as the result of the Mayor's EO 1000 Program and other employment programs and contacts developed by the Mayor's Office.

3. Mr. Grimmelman indicates that an ordinance to amend the Annual Salary Ordinance and a supplemental appropriation ordinance regarding the two EO 1000 positions are being submitted with a request that they be considered at the January 27, 1993 Budget Committee Meeting. Therefore, the proposed release of reserve should be continued to that meeting to be considered as a companion item to the two ordinances.

**Recommendation:** Continue this item to the January 27, 1993 Budget Committee Meeting in order to be considered as a companion item to two ordinances regarding the two EO 1000 positions to be considered at that meeting.

Item 1b - File 79-91-2.6

**Department:** Mayor's Office of Community Development (MOCD)

**Item:** Release of Reserved Funds

**Amount:** $100,000

**Source of Funds:** 1992 Community Development Block Grant Program

**Description:** The Board of Supervisors previously authorized the Mayor to apply for, receive and expend the City's 1992 Community Development Block Grant entitlement from the U. S. Department of Housing and Urban Development, Resolution No. 1060-91 (File 79-91-2). At the same time, the Board of Supervisors placed $100,000 on reserve, which had been allocated for financial compliance audits, pending the determination of the final amount needed for such audits.

The Mayor's Office of Community Development (MOCD) reports that the Department has exercised the option to extend its existing contract with the accounting firm of Calvin Louie, CPA, for the provision of technical certified assistance and finance and compliance audits for contracts of $25,000 or more in connection with the Community Development Block Grant (CDBG) subgrantees. The contract extension is the second of three such extensions available under the contract agreement. The contract extension is for 10 months from January 1, 1993 (or date of the Controller's certification of availability of funds) to October 31, 1993.

According to the second contract extension, a total of 139 subgrantee contracts, as listed in the attachment, will undergo financial and compliance audits as follows:

| Funding Year | Number of Subgrantees | Total Amount of Contracts |
|---|---|---|
| 1990 CDBG Program | 15 | $ 877,368 |
| 1991 CDBG Program | 60 | 6,007,670 |
| 1992 CDBG Program | 64 | 6,511,890 |
| Total | 139 | $13,396,928 |

These audits are a requirement of the U. S. Department of Housing and Urban Development, which administers the Community Development Block Grant Program.

**Comments:**

1. According to Ms. Carmen Smith of the Human Rights Commission, Calvin Louie, CPA, continues to be a HRC certified MBE firm.

2. Billing rates, estimated hours and total fees for the subject audits have been identified as follows:

| Position | Billing Rates | Estimated Hours | Total Fees |
|---|---|---|---|
| Principal | $50.00 | 200 | $10,000 |
| Manager | 38.00 | 800 | 30,400 |
| Supervisor/Senior | 28.00 | 1,500 | 42,000 |
| Semi-Senior/Junior | 22.00 | 800 | 17,600 |
| Totals | | 3,300 | $100,000 |

3. As indicated above, the subject release of funds provides for a second contract extension to provide financial and compliance audits for 139 CDBG subgrantees. Under the previous contract extension, the accounting firm of Calvin Louie, CPA completed audits of 76 CDBG subgrantees during the 10 month period October 1991 through July 1992 for a total cost of $75,000.

**Recommendation:** Approve the release of reserved funds in the amount of $100,000.

| Organization | Planned Placements |
|---|---|
| **Mayor's Office of Community Development (MOCD) Contracts** | |
| Careers Abound | 60 |
| Central City Hospitality House | 165 |
| Charity Cultural Services Center | 73 |
| Chinese for Affirmative Action | 70 |
| Chinese Newcomers Service Center | 52 |
| Community Alliance Program for Ex-offenders, Inc. | 72 |
| Horizons Unlimited | 160 |
| Ingleside Community Center | 96 |
| Mission Hiring Hall, Inc. | 140 |
| Mutual Assistance Association Council, Inc. | 84 |
| Oceanview, Merced, Ingleside Community Association (OMICA), Inc. | 60 |
| Samoa Mo Samoa, Inc. | 72 |
| Third Baptist Church | 54 |
| Young Community Developers | 72 |
| Subtotal | 1,230 |
| **Private Industry Council (PIC) Contracts** | |
| Arriba Juntos | 10 |
| Asian Neighborhood Design | 14 |
| Bay Urban League | 8 |
| Career Resources Development Center | 21 |
| Chinese for Affirmative Action | 1 |
| City College of San Francisco, John Adams | 4 |
| Community Educational Services | 22 |
| Engineering Societies Committee for Manpower | 3 |
| Filipino American Center | 12 |
| Jewish Vocational Service | 2 |
| Renaissance Experience Plus | 0 |
| San Francisco Vocational Services | 4 |
| Swords to Plowshares | 0 |
| Vietnamese Youth Development Center | 8 |
| Youth Guidance Center/Improvement Committee | 34 |
| Subtotal | 143 |
| **Contracts with both MOCD and PIC** | |
| Chinatown American Cooks School | 46 |
| Chinatown Youth Center | 100 |
| Korean Center, Inc. | 5 |
| Mission Language & Vocational School | 139 |
| Northern California Service League | 42 |
| Potrero Hill Community Development Center | 7 |
| Subtotal | 339 |
| Total Planned Job Placements for Youth | 1,712 |

2. Mr. Frank Grimmelman of MOCYF advises that the MOCYF would find a substantial portion of such added job placements with large businesses located in the downtown area as the result of the Mayor's EO 1000 Program and other employment programs and contacts developed by the Mayor's Office.

3. Mr. Grimmelman indicates that an ordinance to amend the Annual Salary Ordinance and a supplemental appropriation ordinance regarding the two EO 1000 positions are being submitted with a request that they be considered at the January 27, 1993 Budget Committee Meeting. Therefore, the proposed release of reserve should be continued to that meeting to be considered as a companion item to the two ordinances.

**Recommendation:** Continue this item to the January 27, 1993 Budget Committee Meeting in order to be considered as a companion item to two ordinances regarding the two EO 1000 positions to be considered at that meeting.

Item 1b - File 79-91-2.6

**Department:** Mayor's Office of Community Development (MOCD)

**Item:** Release of Reserved Funds

**Amount:** $100,000

**Source of Funds:** 1992 Community Development Block Grant Program

**Description:** The Board of Supervisors previously authorized the Mayor to apply for, receive and expend the City's 1992 Community Development Block Grant entitlement from the U. S. Department of Housing and Urban Development, Resolution No. 1060-91 (File 79-91-2). At the same time, the Board of Supervisors placed $100,000 on reserve, which had been allocated for financial compliance audits, pending the determination of the final amount needed for such audits.

The Mayor's Office of Community Development (MOCD) reports that the Department has exercised the option to extend its existing contract with the accounting firm of Calvin Louie, CPA, for the provision of technical certified assistance and finance and compliance audits for contracts of $25,000 or more in connection with the Community Development Block Grant (CDBG) subgrantees. The contract extension is the second of three such extensions available under the contract agreement. The contract extension is for 10 months from January 1, 1993 (or date of the Controller's certification of availability of funds) to October 31, 1993.

According to the second contract extension, a total of 139 subgrantee contracts, as listed in the attachment, will undergo financial and compliance audits as follows:

| Funding Year | Number of Subgrantees | Total Amount of Contracts |
|---|---|---|
| 1990 CDBG Program | 15 | $ 877,368 |
| 1991 CDBG Program | 60 | 6,007,670 |
| 1992 CDBG Program | 64 | 6,511,890 |
| Total | 139 | $13,396,928 |

These audits are a requirement of the U. S. Department of Housing and Urban Development, which administers the Community Development Block Grant Program.

Comments:

1. According to Ms. Carmen Smith of the Human Rights Commission, Calvin Louie, CPA, continues to be a HRC certified MBE firm.

2. Billing rates, estimated hours and total fees for the subject audits have been identified as follows:

| Position | Billing Rates | Estimated Hours | Total Fees |
|---|---|---|---|
| Principal | $50.00 | 200 | $10,000 |
| Manager | 38.00 | 800 | 30,400 |
| Supervisor/Senior | 28.00 | 1,500 | 42,000 |
| Semi-Senior/Junior | 22.00 | 800 | 17,600 |
| Totals | | 3,300 | $100,000 |

3. As indicated above, the subject release of funds provides for a second contract extension to provide financial and compliance audits for 139 CDBG subgrantees. Under the previous contract extension, the accounting firm of Calvin Louie, CPA completed audits of 76 CDBG subgrantees during the 10 month period October 1991 through July 1992 for a total cost of $75,000.

**Recommendation:** Approve the release of reserved funds in the amount of $100,000.

Attachment A - AUDIT MASTER LIST CAL LOUIE

Completion of financial and compliance audits of the following subrecipients of Community Development Block Grant (CDBG) funds. Audits will be done according to requirements of the federal Department of Housing and Urban Development requireme

| ACTIVITY | | AGENCY | 1990 Grant | 1991 Grant | 1992 Grant |
|---|---|---|---|---|---|
| Housing Programs Admin. | 1 | ASIAN, Inc. | | $193,131 | $200,000 |
| | 2 | Bernal Heights Community Foundation | | $175,000 | $185,000 |
| | 3 | Chinese Community Housing Corporation | | $265,000 | $280,000 |
| | 4 | Housing Conservation and Development Corp. | $178,818 | $178,818 | $188,818 |
| | 5 | Housing Dev. & Neighborhood Preservation Corps. | $109,011 | $109,011 | $109,011 |
| | 6 | Mission Housing Development Corporation | | $331,629 | $341,629 |
| | 7 | Tenderloin Neighborhood Development Corp. | | $192,000 | $202,000 |
| Housing Technical Services | 1 | Asian Neighborhood Design | | $280,000 | $280,000 |
| | 2 | Foundation for S.F. Architectural Heritage | | $40,000 | $0 |
| Public Space Improvements | 1 | Friends of Support Services for the Arts | | $60,000 | $60,000 |
| | 2 | S.F. League of Urban Gardners | | $100,000 | $100,000 |
| Public Services | 1 | AIDS Legal Referral Panel | | $0 | $31,600 |
| | 2 | Asian American Recovery Services | | $50,000 | $50,000 |
| | 3 | Audrey L. Smith Development Center, Inc. | | $73,161 | $73,161 |
| | 4 | Bayview Hunters Point Foundation | | $292,828 | $292,828 |
| | 6 | CAHEED, Inc. | | $118,192 | $118,192 |
| | 7 | California Adocates for Nursing Home Reform | | $30,000 | $30,000 |
| | 8 | Careers Abound | | $58,098 | $58,098 |
| | 9 | Central American Refugee Center | | $28,468 | $28,468 |
| | 10 | Central City Hospitality House | | $48,416 | $48,416 |
| | 9 | Charity Cultural Services Center | $31,287 | $31,287 | $31,287 |
| | 10 | Chinatown American Cooks School | | $50,000 | $50,000 |
| | 11 | Chinatown Youth Center | $37,809 | $37,676 | $37,150 |
| | 12 | Chinese Newcomers Services Center | $30,927 | $30,927 | $30,927 |
| | 13 | Chinese for Affirmative Action | $67,244 | $67,244 | $67,244 |
| | | Coalition for Immigrant & Refugee Rights & Services | | $0 | $50,000 |
| | 14 | Community Alliance Program for Ex-Offenders | $35,000 | $60,000 | $60,000 |
| | 16 | Ella Hill Hutch Community Center | | $146,376 | $146,376 |
| | | Haight Ashbury Play Program for Youth | | $0 | $25,000 |
| | 17 | Horizons Unlimited | | $61,326 | $61,326 |
| | 18 | Hunters Point Com. Youth Park Foundation | | $172,144 | $189,984 |
| | 19 | Independent Housing Services | | $130,000 | $160,000 |
| | 20 | Independent Living Resource Center | | $30,450 | $30,450 |
| | 21 | Innovative Housing | | $90,000 | $90,000 |
| | 22 | Korean Center | | $42,240 | $58,000 |
| | 23 | La Casa de las Madres | $42,432 | $42,432 | $52,000 |
| | 24 | La Raza Centro Legal | $66,2[illegible] | $66,280 | $66,280 |
| | 25 | Lyon-Martin Women's Health Services | | $77,465 | $77,465 |
| | 26 | Mission Community Legal Defense | | $231,933 | $231,933 |
| | 28 | Mission Education Programs, Inc | | $218,509 | $218,509 |
| | 29 | Mission Hiring Hall | | $118,738 | $118,738 |
| | 30 | Mission Language and Vocational School | | $214,109 | $214,109 |
| | 31 | Mission Neighborhood Centers | | $40,000 | $40,000 |
| | 32 | Mutual Assistance Association Council/NCFC | | $28,340 | $28,340 |
| | 33 | Mission Reading Clinic | | $106,575 | $106,575 |
| | 34 | Northern California Service League | | $50,000 | $50,000 |
| | 35 | OMI Community Association | $[illegible] | $35,000 | $35,000 |
| | 36 | OMI Pilgrim Community Center | | $30,000 | $30,000 |
| | 37 | Operation Concern | $[illegible] | $55,000 | $55,000 |

Attachment A - AUDIT MASTER LIST - CAL[illegible] LOUIE

| ACTIVITY | | AGENCY | 1990 Grant | 1991 Grant | 1992 Grant |
|---|---|---|---|---|---|
| Public Service cont. | 38 | San Francisco Educational Services | | $50,000 | $50,000 |
| | 39 | Self Help for the Elderly | $45,960 | $48,040 | $50,380 |
| | 40 | Tenderloin Housing Clinic | | $87,450 | $86,510 |
| | 41 | Third Baptist Church | $26,600 | $46,600 | $46,600 |
| | 42 | Volunteer Center | $30,000 | $30,000 | $30,000 |
| | 43 | Whitney Young Child Development Center | | $77,160 | $77,160 |
| | 44 | Youth Activities - CYO/Mission Rec. Project | | $61,326 | $61,326 |
| Economic Development | 1 | ASIAN, Inc. | | $191,643 | $192,000 |
| | 2 | Mission Economic Development Association | | $0 | $220,500 |
| | 3 | Urban Economic Development Corporation | | $174,530 | $175,000 |
| Self Employment - Ent. Dev. | 1 | Association for Children's Rights | | $48,618 | $49,000 |
| | 2 | Career Resources Development Center | | $70,000 | $75,000 |
| | 3 | Center for Southeast Asian Refugee Resettlement | $86,000 | $86,000 | $94,000 |
| | 4 | San Francisco Renaissance | | $88,500 | $123,500 |
| | 5 | Women's Initiative for Self Employment | | $60,000 | $60,000 |
| | | | $877,368 | $6,007,670 | $6,511,890 |

Item 1c - File 133-92-2.3

**Department:** Chief Administrative Officer (CAO)
Solid Waste Management Program

**Item:** Release of reserved funds for market research and marketing and advertising services.

**Amount:** $241,000

**Source of Funds:** Refuse Collection and Disposal Fees Impound Account

**Description:** During its review of the Solid Waste Management Program's budget for fiscal year 1992-93, the Board of Supervisors reserved $241,000 of the Professional Services budget for market research and marketing and advertising services pending selection of the contractors and identification of hours, hourly rates and MBE/WBE status.

The Solid Waste Management Program sent notices of availability of requests for proposals to approximately 500 advertising and public relations firms in the San Francisco Bay Area. Twenty of these firms submitted proposals that were reviewed by a panel of public outreach coordinators and public relations professionals who selected the firm of Barnes Clarke, Inc., a WBE. Barnes Clarke, Inc. will be utilizing three subcontractors including Wilson Chang Communications (a MBE firm), Consumer Action (a non-profit organization) and Wright Design Group (a for profit firm that is not a MBE/WBE firm).

**Comment:** According to the Solid Waste Management Program, market research and marketing and advertising services will be purchased on an as-needed basis. The Solid Waste Management Program requests that this item be continued in order to finalize the determinations of the hours of services required.

**Recommendation:** Continue this item as requested by the department.

Item 1d - File 133-92-2.4

**Department:** Chief Administrative Officer (CAO)
Solid Waste Management Program

**Item:** Release of reserved funds for printing of a student recycling handbook

**Amount:** $4,500

**Source of Funds:** Refuse Collection and Disposal Fees Impound Account

**Description:** During its review of the Solid Waste Management Program's budget for fiscal year 1992-93, the Board of Supervisors reserved $4,500 for the printing of a student recycling handbook pending selection of the contractor and identification of hours, hourly rates and MBE/WBE status.

The student recycling handbook requires printing 1,500 copies of a 16 page booklet with a pocket on the inside of the back cover with three forms to be inserted in the pocket.

Pursuant to a Purchase Order from the Solid Waste Management Program to the Purchaser, the Purchaser's Office contacted four printing firms on their list of qualified firms to obtain bids on the project. Bids were requested for the project as a whole and therefore, details as to hours and hourly rates do not apply. Color Copy Printing was selected as the lowest bidder with a bid of $4,557. Color Copy Printing is not a WBE or a MBE.

**Comment:** The Solid Waste Management Program indicates that funding for the $57 by which the low bid of $4,557 exceeds the proposed release of reserve of $4,500 will come from savings in other accounts in the Solid Waste Management Program budget.

**Recommendation:** Approve the proposed release of reserved funds in the amount of $4,500 as requested.

Item 1e - File 146-92-26.2

**Department:** Department of Public Health (DPH), AIDS Office

**Item:** Release of reserved funds in the amount of $99,339, for the provision of street-based outreach intervention services to high-risk youth in the Haight-Ashbury neighborhood.

**Amount:** $99,339

**Source of Funds:** Centers for Disease Control (CDC)

**Description:** The Board of Supervisors previously authorized the DPH to accept and expend a continuation grant in the amount of $470,440 (File 146-92-26.1). These funds were to be used for a program aimed at evaluating and enhancing HIV/AIDS prevention and street-based outreach programs that serve youth in high-risk situations, such as runaways, homeless youth and youth who are intravenous drug users. The program is divided into two phases. The first phase involves assessing (1) the location and size of the target population, (2) the current outreach coverage of specific geographic areas and the costs associated with that coverage and (3) the current modes of evaluation. The second phase entails testing the effectiveness of a specially designed street-based outreach intervention program.

Of the total $470,440 grant, $109,159 was placed on reserve pending (1) the DPH's selection of a contractor to provide the above noted street-based outreach intervention services and (2) information regarding the hours, rates and the MBE/WBE status of the contractor.

The DPH reports that the Haight-Ashbury Free Clinics Inc., a non-profit agency, has been selected, through the Department's competitive bid process, to provide the street-based outreach intervention services to high-risk youth in the Haight-Ashbury neighborhood. Specific services will include bleach and condom distribution, high-risk counseling of approximately 1,050 youth and the provision of skill-building and self-esteem educational sessions to approximately 300 of the youth who receive high-risk counseling. The DPH advises that bleach is used to disinfect needles used by intravenous drug abusers.

**Budget:**

| | | |
|---|---|---|
| **Start-up Costs (1.5 months - 2/15/93 to 4/193)** | | |
| Personnel: | | |
| Program Manager (0.08) | $2,000 | |
| Program Coordinator (0.05 FTE) | 1,688 | |
| Fringe Benefits | 978 | |
| Subtotal-Personnel | | $4,666 |
| Operating Expenses: | | |
| Rent ($2,000 first and last month rent plus $1,000 security deposit) | $3,000 | |
| Utilities | 313 | |
| Office Supplies | 424 | |
| Printing and Reproduction | 150 | |
| Telephone Installation | 300 | |
| Travel (CDC meetings - Atlanta) | | |
| Round Trip Ticket ($900 x 2 persons x 2 trips - purchased without advance notice) | 3,600 | |
| Lodging ($100 per night x 6 nights x 2 trips) | 1,200 | |
| Per Diem ($15 per day x 6 nights x 2 persons x 2 trips) | 360 | |
| Consultants | 4,000 | |
| Subtotal-Operating Expenses | | 13,347 |
| Equipment: | | |
| Computer/Printer | $3,000 | |
| Office Furniture | 2,000 | |
| Subtotal-Equipment | | 5,000 |
| Total Direct Costs | | $23,013 |
| Administrative Overhead (9% of direct costs) | | 2,072 |
| Total Start-up Costs | | $25,085 |
| **On-going Operating Costs (6 months - 4/2/93 to 9/29/93)** | | |
| Personnel: | | |
| Program Administrator (0.5 FTE) | $14,500 | |
| Outreach Workers (1.0 FTE total) | 26,000 | |
| Fringe Benefits | 10,733 | |
| Subtotal-Personnel | | $51,233 |

| | | |
|---|---|---|
| Operating Expenses: | | |
| Rent | $6,000 | |
| Utilities | 1,290 | |
| Office Supplies | 1,100 | |
| Printing and Reproduction | 300 | |
| Travel (CDC meeting - Atlanta) | | |
| Round Trip Ticket ($510 x 1 person-purchased with advanced notice) | 510 | |
| Lodging ($100 per night x 6 nights) | 600 | |
| Per Diem ($15 per day x 6 nights) | 90 | |
| Consultants | 3,000 | |
| Condoms/Lubricant | 3,000 | |
| Bleach | 1,000 | |
| Subtotal-Operating Expenses | | $16,890 |
| Total Direct Costs | | $68,123 |
| Administrative Overhead (9% of direct costs) | | 6,131 |
| Total On-going Operating Costs | | $74,254 |
| **Total Contract** | | **$99,339** |

**Recommendation**: Approve the proposed release of reserved funds.

Item 2 - File 30-93-1

**Department:** Department of Public Health (DPH)

**Item:** Resolution authorizing the adoption of the County Description of the Proposed expenditure of California Healthcare for Indigents Program (CHIP) funds for fiscal year 1992-93, and that the Chairperson or duly authorized representative of the Board of Supervisors can certify the County description of the proposed expenditure of CHIP funds for fiscal year 1992-93.

**Description:** In October of 1989, the DPH began its implementation of State AB 75, the Proposition 99/Tobacco Tax Bill. State AB75 created the California Healthcare for Indigents Program (CHIP) to provide counties with funds for the provision and expansion of health care services to medically indigent adults.

Local CHIP funds are used to reimburse participating county hospitals, and non-county hospitals, for inpatient, outpatient and emergency services and participating private physicians for emergency, obstetric and pediatric services, provided to indigent persons. The DPH advises that State regulations require that the City submit to the State, on an annual basis, a description of the proposed expenditure of the CHIP funds. The DPH reports that for FY 1992-93, the City will receive an allocation totaling $10,782,909 in CHIP funds as follows:

| | |
|---|---|
| County Hospitals | $6,480,989 |
| Non-County Hospitals | 736,622 |
| Physician Services | 831,538 |
| Other Health Services | 2,733,760 |
| Total | $10,782,909 |

San Francisco General Hospital (SFGH) has been designated as the City's recipient of those CHIP funds earmarked for county hospitals. For FY 1992-93, the total amount available for expenditure by SFGH is $6,504,519 ($6,480,989 plus $23,530 from prior year interest). Under the DPH's proposed expenditure plan for these funds, $6,175,666 or 94.9 percent would be allocated to pay for indigent health care services and $328,853 or 5.1 percent would be used to pay for administrative costs directly related to the CHIP program.

The DPH reports that under the Department's proposed expenditure plan 50 percent or $368,311 of the CHIP non-county hospital funds, totaling $736,622, will be allocated to the City's ten local non-county hospitals on the basis of a formula. The remaining 50 percent of these funds or $368,311 will be allocated by DPH under a discretionary category. The

formula allocation is based on Office of Statewide Health Planning and Development (OSHPD) uncompensated health care data, collected from all non-county hospitals Statewide. Under State regulations all local non-county hospitals are entitled to a share of the formula allocation based on each hospitals level of uncompensated health care costs.

The 50 percent balance of $368,311 in CHIP discretionary funds are not required by State regulations to be allocated to all local non-county hospitals. Therefore, the DPH has the discretion to allocate these funds to one or more non-county hospitals for the provision of health care services to indigent persons, as it deems appropriate. However, DPH intends to allocate the $368,311 plus $66,436 in prior year interest totaling $434,747, to reimburse all ten non-county hospitals and to pay for associated costs as follows:

| | |
|---|---|
| Non-county Hospitals | $327,797 |
| Professional Services Contract: | |
| *Medicus Systems Corporation | 97,571 |
| DPH Administrative Costs | 9,379 |
| Total | $434,747 |

* See Comment 1 below

In accordance with State regulations, the DPH has established an Emergency Medical Services (EMS) account and a New Contracts Physician Services account for the receipt and deposit of the CHIP physician services funds. Of the $831,538 allocated for physician services for FY 1992-93, $719,538 or 87 percent would be deposited to the EMS account and $112,000 or 13 percent would be deposited to the New Contracts Physician Services account.

DPH reports that the total amount available in the EMS account for FY 1992-93 is $938,134 ($719,538 plus $218,596 in prior year interest). Under the DPH's proposed expenditure plan the $938,134 would be expended as follows:

| | |
|---|---|
| Physician Services | $647,583 |
| Professional Contract Services | |
| Medicus Systems Corporation | 259,808 |
| DPH Administrative Costs | 30,743 |
| Total | $938,134 |

The DPH advises that the total amount available in the New Contracts Physician Services account is $123,200 ($112,000 plus $11,200 in prior year interest). DPH's proposed expenditure plan provides for the expenditure of the $123,200, as follows:

| | |
|---|---|
| Child Health and Disability Prevention Treatment Services (and other eligible physician services) | $100,800 |
| Professional Contract Services Medicus Systems Corporation | 14,119 |
| DPH Administrative Costs | 8,281 |
| Total | $123,200 |

According to DPH, the total amount available under the CHIP Other Health Services category for FY 1992-93 is $2,741,670 ($2,733,760 plus $7,910 in prior year interest). Under DPH's proposed expenditure plan, $2,603,061 or 95 percent of the $2,741,670 would be used to pay for inpatient, outpatient and emergency care services to indigent patients at SFGH. The remaining $138,609 or 5 percent would pay for SFGH and DPH, Central Administration Office administrative costs associated with the CHIP program.

**Comments:**

1. The DPH advises that it would continue to contract with Medicus Systems Corporation for the provision of fiscal intermediary services for the participating non-county hospitals and private physicians. These services include the receipt, processing and payment of claims in connection with the CHIP program. In addition to the fiscal intermediary services, Medicus Systems would also continue to be responsible for provider relations, information dissemination and data reporting, and would assist the DPH in the CHIP program management.

2. Mr. Jeff Leong of the DPH reports that the reason the proposed expenditure plan is being submitted to the Board of Supervisors at this time instead of at the beginning of the fiscal year is because the State did not submit guidelines to DPH for the preparation of the proposed expenditure plan until September of 1992.

**Recommendation:** Approve the proposed resolution.

Item 3 - File 97-92-67

**Note:** This item was continued at the Finance Committee meeting of January 13, 1992.

**Department:** Board of Supervisors

**Item:** Ordinance amending Administrative Code by adding Section 8.37 thereto, authorizing the Clerk of the Board of Supervisors to collect fees to defray the cost of mailing and providing copies of documents relating to the business of the Board of Supervisors.

**Description:** The proposed ordinance would allow the Clerk of the Board of Supervisors to charge and collect fees to defray the cost of the issuance of documents and services. The Budget Analyst's memo dated June 3, 1992, included recommendations on the amount of these fees based upon cost considerations and comparable fees charged by other California counties. Many of these recommended fees by the Budget Analyst have been incorporated into the proposed ordinance. The proposed ordinance does not specify whether these fees would be charged specifically to the public or whether the fees would also be charged to City departments.

The proposed ordinance would authorize the Clerk of the Board of Supervisors to waive, partially or wholly, any of the fees authorized when exigent circumstances arise, such as, but not limited to the need to work cooperatively with other governmental agencies, or the inability of the requesting person to pay for the requested service.

The proposed fees and the projected new revenues that would be generated by the proposed ordinance (based on information gathered by the Clerk of the Board's Office on weekly activities provided to the public) are as follows:

| Item | Proposed Fee | Current Level of Activity | Estimated Annual Revenues |
|---|---|---|---|
| Agenda-Meeting of the Board of Supervisors (weekly mailing, annual subscription) | $120.00 | 70 | $8,400 |
| Agenda-Budget Committee (weekly mailing, annual subscription) | 70.00 | 500 | 35,000 |
| Agenda-Legislative Committee Meetings (regular mailing, annual subscription) | 35.00 | 1,500 | 52,500 |

| Item | Proposed Fee | Current Level of Activity | Estimated Annual Revenues |
|---|---|---|---|
| Minutes-Meeting of the Board of Supervisors (annual subscription) | $240.00 | 30 | $7,200 |
| Minutes-Meeting of the Board of Supervisors (mailing, per copy) | 3.00 | 100 | 300 |
| Legislative packets-meeting of the Board of Supervisors (weekly mailing, annual subscription) | 290.00 | 35 | 10,150 |
| Legislative packet-meeting of the Board of Supervisors (each set) | 4.00 | 50 | 200 |
| Appeal Filing Conditional Use Permit (per filing) | 275.00 | 9 | 2,475 |
| Late Filing-Application for Temporary Street Closure Denial (per filing) | 120.00 | 60 | 7,200 |
| Appeal Filing-Temporary Street Closure (per filing) | 58.00 | 8 | 464 |
| Certification of Documents (per document) | 1.75 | 360 | 630 |
| Photocopies of Pages* | | | |
| First Page | .25 | 5,208 | 1,302 |
| Each Additional Page | .10 | 10,417 | 1,042 |
| **Total Estimated Annual Revenues** | | | **$126,863** |

* The total number of estimated annual occurrences for photocopying pages is 15,625. The amount of estimated revenues assumes each document copied is three pages in length. Assuming each document copied on average is four pages in length, then estimated annual revenues would be $2,149.

**Comments:**

1. As noted above, the estimated revenues are based upon current weekly activities for the public provided by the Deputy Clerks of the Board. However, if the Clerk of the Board begins charging for these services, it is likely that the current level of activities for the public would decrease, and therefore the total estimated revenues would also decrease. The level of activities for the public, and the amount of fees which would be waived for these services, cannot be determined at this time. The total estimated $126,863 in revenues detailed above are the maximum revenues which would be generated from

the proposed ordinance based on current activity levels. Mr. John Taylor, Clerk of the Board reports that there would be a substantial decrease in the level of activities if the Clerk of the Board charged for these services. Mr. Taylor estimates that the revised estimates would be as follows:

| Item | Proposed Fee | Revised Estimated Quantity | Revised Estimated Annual Revenues |
|---|---|---|---|
| Agenda-Meeting of the Board of Supervisors (weekly mailing, annual subscription) | $120.00 | 25 | $3,000 |
| Agenda-Budget Committee (weekly mailing, annual subscription) | 70.00 | 130 | 9,100 |
| Agenda-Legislative Committee Meetings (regular mailing, annual subscription) | 35.00 | 130 | 4,550 |
| Minutes-Meeting of the Board of Supervisors (annual subscription) | 240.00 | 10 | 2,400 |
| Minutes-Meeting of the Board of Supervisors (mailing, per copy) | 3.00 | 50 | 150 |
| Legislative packets-meeting of the Board of Supervisors (weekly mailing, annual subscription) | 290.00 | 10 | 2,900 |
| Legislative packet-meeting of the Board of Supervisors (each set) | 4.00 | 15 | 60 |
| Appeal Filing Conditional Use Permit (per filing) | 275.00 | 9 | 2,475 |
| Late Filing-Application for Temporary Street Closure Denial (per filing) | 120.00 | 60 | 7,200 |
| Appeal Filing-Temporary Street Closure (per filing) | 58.00 | 8 | 464 |
| Certification of Documents (per document) | 1.75 | 100 | 175 |
| Photocopies of Pages* | | | |
| First Page | .25 | 750 | 188 |
| Each Additional Page | .10 | 1,250 | 125 |
| **Total Revised Estimated Annual Revenues** | | | $32,787 |

Whether or not there would be a substantial decrease in the level of activities if the Clerk of the Board begins charging for these services cannot be determined at this time.

2. The Attachment to this report provides a comparison of the fees for the services charged by sixteen California counties. The fees charged by these other counties were the basis for the Budget Analyst's recommendations on the amount of fees to charge, many of which are incorporated into the proposed ordinance. As noted on the Attachment, each county surveyed, including all of the Bay area counties, already charges fees for services provided by the Clerk of the Board's Office.

3. Enterprise fund departments such as the Airport, Port and Hetch Hetchy, reimburse the General Fund for administrative costs through the City's Cost Allocation Plan. According to the State Government Code, general government costs, such as costs incurred by the Clerk of the Board, may not be recovered from the public through the Cost Allocation Plan. The proposed ordinance would allow the Clerk of the Board to defray these costs which cannot currently be recovered under the City's Cost Allocation Plan. According to Mr. John Madden of the Controller's Office, the annual revenues would be treated as Board of Supervisors departmental revenues of the City's General Fund.

**Recommendation:** Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

| | Agenda Full Board | Agenda Committees | •Proceedings | Copies of •Packets | Ordinances | Research |
|---|---|---|---|---|---|---|
| Alameda | $110/yr<br>NPO: $55/yr | N/A | $1.50/1st pg<br>50¢/add'l pp | $1.50/1st pg<br>50¢/add'l pp | $1.50/1st pg<br>50¢/ add'l pp | $3.50/15 min |
| Alpine | $10/yr | N/A | $25/yr | 25¢/pg | 25¢ pg | $5/file |
| Colusa | SASE | SASE | SASE | N/C | 50¢/pg | N/C |
| Humboldt | $22.80/6 mos<br>$45.60/yr | N/A | $22.80/6 mos<br>$45.60/yr | 3¢/pg | 10¢/pg | N/C |
| Los Angeles | SASE | N/A | N/C | N/C | 10¢/pg | $11/15 min |
| Madera | $24/yr<br>$2/mo | N/A | $1/1st pg<br>20¢/add'l pp | N/C | N/C | N/C |
| Marin | $35/yr, general<br>(N/C: press, gov't) | N/A | $63/yr, inc. agenda<br>(N/C: press, gov't) | N/C (available to press only) | 25¢/pg | $6.40/15 min |
| Mendocino | N/C | N/A | $2/set or<br>25¢/pg | 10¢/pg | 25¢/pg, gen'l<br>10¢/pg, press | N/C |
| Monterey | $24/yr, general<br>(N/C: press, gov't, single requests) | N/A | $24/yr, general | N/C | N/C | N/C |
| Napa | $50/yr | N/A | $125/yr | $600/yr | 20¢/pg<br>$1/pg from microfilm | Actual staff service cost |
| Riverside | SASE | N/C | N/C | N/A | 10¢/pg<br>50¢/research | $5/file minimum |
| Sacramento | $138/yr | N/A | $1.50/1st pg<br>20¢/add'l pp | N/C | $1.50/1st pg<br>20¢/add'l pp | $5/15 min |
| San Diego | $10/yr | N/A | $25/yr | N/A | 25¢/pg | $5/file |
| San Mateo | $50/yr | N/A | N/C | N/A | 20¢/pg | N/C |
| Santa Clara | N/C | N/C | N/C | N/A | N/C | N/C |
| Sierra | $30/yr | N/A | $70/yr | 50¢/pg | 25¢/pg | N/C |

Legend: N/C: no charge; SASE: self-addressed stamped envelope; N/A: not applicable (service not provided); NPO: non-profit organization.

| | Copies of Tape Recordings* | Planning Appeals | letter & legal sized Photocopies | Notes |
|---|---|---|---|---|
| Alameda | $40/hr<br>tape: $5 | N/C | $1.50/1st page<br>50¢/add'l pp | |
| Alpine | $10 | $50 | 25¢/pg | |
| Colusa | tape: $3.00 | $250 | 50¢/add'l pp | No fees charged to any government representative |
| Humboldt | $22/hr<br>tape: $1.50 | N/C | 10¢/pg | |
| Los Angeles | $8 w/o tape<br>$9 with tape | 40¢/sq ft<br>$8 svc. chg. | N/C | |
| Madera | N/A | N/C | $1/1st pg; 20¢/add'l pp | |
| Marin | $10<br>tape: $3.50 | N/C | 25¢/pg | |
| Mendocino | Minimum: $10 | $140 | 25¢ public documents<br>50¢ private documents | |
| Monterey | $5 | $50 | $1/1st pg; 50¢/add'l pp | |
| Napa | $15 | N/C | 20¢/pg | |
| Riverside | $12.50<br>including tape | $415 | 10¢/pg<br>15¢/double-sided | Riverside has not increased its fees in ten years. |
| Sacramento | $6.50<br>tape: $3.50 | $1,871 | $1.50/1st copy<br>30¢/add'l identical copies | |
| San Diego | $10 | $500 | 25¢/pg | San Diego is currently updating its fee schedule |
| San Mateo | $3<br>tape: $2 | N/C | 20¢/pg | |
| Santa Clara | N/C | $305 | $1.70 fee + 5¢/pg | |
| Sierra | $10/hr | $200 | 25¢/pg | |

*Tape not included unless otherwise noted

Legend: N/C: no charge; SASE: self-addressed stamped envelope; N/A: not applicable (service not provided); NPO: non-profit organization.

Item 4 - File 170-93-1

**Item:** Ordinance providing for the approval and execution and delivery by officers of the City and County of San Francisco of an Equipment Lease Supplement No. 2 between the San Francisco Finance Corporation, as Lessor, and the City and County of San Francisco, as Lessee, with respect to equipment to be used for City purposes and the related Certificate of Approval; providing for reimbursement to the City of certain City expenditures prior to the issuance of lease revenue bonds and approving the issuance of lease revenue bonds by said non-profit corporation; providing that said bonds shall be subject to the certification of the Controller of the City and County of San Francisco prior to the sale of said bonds; and providing for the execution of documents in connection therewith and ratifying previous actions taken in connection therewith.

**Amount:** Not to exceed $10 million.

**Description:** In June, 1990, San Francisco voters approved Proposition C, a Charter amendment which authorized the Board of Supervisors to authorize and approve the lease-financing of equipment purchases for the City through a non-profit corporation, the San Francisco Finance Corporation. The equipment leased by the City is purchased by the San Francisco Finance Corporation with the proceeds of Lease Revenue Bonds.

Pursuant to Proposition C, the total outstanding indebtedness of the San Francisco Finance Corporation may not exceed a principal amount of $20 million at any given time beginning in 1990-91, with the limit increased by 5 percent in each subsequent fiscal year. The maximum amount of authorized outstanding indebtedness in 1992-93 will be $22,050,000.

Interest rates on lease-revenue bonds issued by non-profit corporations are generally lower than on other financing instruments, resulting in lower lease-purchase costs to the City, because of the tax-exempt status of investments in non-profit corporations. Proposition C requires that the San Francisco Finance Corporation may not issue Lease Revenue Bonds for equipment purchases unless the Controller certifies that the interest costs to the City will be lower through the San Francisco Finance Corporation than through other financing instruments.

In fiscal year 1990-91 the Board of Supervisors authorized the issuance by the San Francisco Finance Corporation of

$7,304,707 in Lease Revenue Bonds to finance the purchase of equipment, and authorized the execution of an Equipment Lease between the City and the San Francisco Finance Corporation for the purchased equipment. In 1991-92, the Board of Supervisors approved the issuance of not more than an additional $10 million in lease revenue bonds (Series 1992A) for equipment purchases, and authorized the approval of an Equipment Lease Supplement No. 1 between the City and the San Francisco Finance Corporation for the lease-purchase of equipment obtained with the Series 1992A revenue bond proceeds.

The proposed ordinance would authorize the issuance of additional lease revenue bonds in fiscal year 1992-93 by the San Francisco Finance Corporation in an amount not to exceed $10 million, provided that the Controller certifies that interest costs to the City under the proposed bond issuance would be lower than through other financing sources. The proposed ordinance would also authorize an Equipment Lease Supplement No. 2 between the City and the San Francisco Finance Corporation for the City's lease purchase of additional equipment purchased with new bond revenues.

In addition, the proposed ordinance provides for reimbursement to the City of certain expenditures (see Comment 13) prior to the issuance of the proposed additional lease revenue bonds, provides for the execution of documents needed to implement the proposed ordinance, and ratifies actions previously taken.

The annual budgets of City departments must include the amount of the City's annual lease purchase payments (including principal and interest) for equipment procured through the San Francisco Finance Corporation. Since these payments are required under the terms of the lease-purchase agreement with the San Francisco Finance Corporation, the annual payments become fixed costs of City departments for a period of several years, once the equipment has been procured, until the cost of the equipment is paid in full by the City.

**Comments:**

1. As previously noted, the San Francisco Finance Corporation was authorized to issue $7,304,707 in 1990-91 and up to $10 million in 1991-92 in Lease Purchase Revenue bonds to procure equipment on behalf of the City. According to the Chief Administrative Officer, Mr. Rudy Nothenberg, the actual amount of Lease Purchase Revenue bonds issued by the San Francisco Finance Corporation, the amounts which

have been repaid, and the current outstanding indebtedness of the San Francisco Finance Corporation are as follows:

| Description | Amount | |
|---|---|---|
| Series 1991A | | |
| Lease Purchase Revenue Bonds Issued | $7,020,000 | |
| Repayment to date | (2,060,000) | |
| Outstanding Indebtedness: Series 1991A: | | $4,960,000 |
| Series 1992A | | |
| Lease Purchase Revenue Bonds Issued | $5,555,000 | |
| Repayment to date | (365,000) | |
| Outstanding Indebtedness: Series 1992A: | | 5,190,000 |
| Total Current Outstanding Indebtedness | | $10,150,000 |

2. Proposition C established limits on the total outstanding indebtedness of the San Francisco Finance Corporation. The Charter amendment states that total indebtedness was limited to $20 million, to be "increased by 5 percent each fiscal year following approval of this subsection." The Charter amendment was approved in June, 1990.

Mr. Fred Weiner of the CAO's Office states that the City has adopted a conservative interpretation of the Charter amendment by regarding $20 million as the debt limit for 1990-91, without the 5 percent increase which was allowed "in the first fiscal year" following enactment of Proposition C in June, 1990. On this basis, the limit on the outstanding debt capacity for 1992-93 is $22,050,000 and, under Proposition C, the San Francisco Finance Corporation can issue no more than $11.9 million in lease purchase revenue bonds in 1992-93 ($22,050,00 current debt limit less $10,150,000 current outstanding debt).

As previously noted, the proposed ordinance would authorize the issuance of new revenue bonds in 1992-93 in an amount not to exceed $10 million, which is within the San Francisco Finance Corporation's current debt capacity under Proposition C of $11.9 million. If a total of $10 million in new revenue bonds is actually issued in 1992-93, the debt capacity for 1993-94 will be $3,002,500 ($1.9 million remaining debt capacity in 1992-93 plus $1,102,500 in new debt capacity for 1993-94, based on a 5 percent increase from $22,050,000 to $23,152,500).

3. Mr. Nothenberg reports that approximately $10.6 million in equipment was approved for lease financing by the Mayor and the Board of Supervisors in the 1992-93 budget. This

amount exceeds by $600,000 the proposed $10 million in new revenue bonds which would be authorized under the proposed ordinance.

A list prepared by the CAO's Office of the equipment purchases requested by City departments for 1992-93, at a total cost of $11,037,082, is attached to this report. "Attachment A" lists proposed equipment purchases totalling $9,381,778 for equipment valued at more than $100,000, or which could not be cost-effectively financed through other means, according to the CAO's Office. "Attachment B" reflects proposed equipment purchases of $933,974 for equipment valued between $10,000 and $100,000. "Attachment C" reflects proposed purchases of $721,330 for equipment valued at less than $10,000.

The financing term for the lease-purchase of this equipment varies from 3 to 7 years.

4. Mr. Nothenberg advises that, in his opinion, City departments have requested equipment lease-purchases by the City which are inappropriate for this type of financing, since the San Francisco Finance Corporation was established to finance "major" equipment lease purchases by City departments. The Budget Analyst strongly concurs and notes that lease-purchases of equipment should be limited to items which are appropriately financed over a period of 3 to 7 years, based on the expected useful life of the equipment, or for which funds are unavailable for outright purchase because the cost of the equipment is prohibitively expensive.

Mr. Nothenberg states that only the equipment listed on Attachment A, with a total value of $9,381,778, (or $618,222 less than the $10 million proposed maximum amount of the bond issue) is appropriate for lease-financing through the San Francisco Finance Corporation.

Ms. Laura Wagner-Lockwood of the CAO's Office states that, although the total cost of the equipment listed on Attachment A is only $9,381,778, a bond issue of up to $10 million will still be needed to purchase the equipment, because: 1) the actual equipment costs will be determined through competitive bidding, which could increase total expenditures above the estimated $9,381,778; and, 2) the San Francisco Finance Corporation is required to maintain a reserve balance of approximately 10 percent of the bond proceeds.

5. Attachment A lists 40 General Fleet Vehicles which would be purchased on behalf of the City at a total cost of $400,000,

whereas the approved 1992-93 budget authorizes only 30 General Fleet vehicles to be purchased at a maximum cost of $402,000. Mr. Weiner, of the CAO's Office, and Mr. Ara Minasian of the Purchasing Department attribute this discrepancy to a typographical error in the number of vehicles listed on Attachment A, which should be amended from "40" to "30."

6. Mr. Nothenberg reports that he will propose that the equipment listed on Attachment B, valued at $933,974, be financed through a new "Master Vendor Lease Financing Program," which would involve obtaining a line of credit from a bank or other financial institution. Once established, departments would then be allowed to access this credit line to purchase these smaller equipment items if previously authorized in the budget, according to Mr. Nothenberg.

Mr. Nothenberg reports that he is working with the City Attorney, the Controller, and the Mayor's Office to develop such a proposal, which would then be subject to separate approval by the Board of Supervisors.

7. Mr. Nothenberg states that, in his opinion, it is not "economically prudent or practically feasible" to lease-finance the equipment items listed on Attachment C, each of which is valued at less than $10,000. Mr. Nothenberg recommends that these items not be lease-financed but purchased outright in the 1993-94 budget.

Attachment C includes 247 low-cost items valued at less than $10,000, including several file cabinets and office chairs at a unit cost of less than $250. The Budget Analyst strongly concurs with the Chief Administrative Office that these items are inappropriate for lease-financing.

8. The use of lease-financing is equivalent to borrowing funds, with resultant interest costs, to pay for the City's smaller type equipment items which should instead be fully reflected in annual departmental budget requests. Since such financing also requires fixed, mandatory lease payments by City departments over several years, the extensive use of lease-purchases "locks in" departmental expenditures for future years. This will adversely affect the City by limiting discretion and constraining the allocation of City funds in future years.

9. The actual interest costs to the City of the proposed 1992-93 equipment lease-purchases cannot be determined precisely, since the interest rate will depend on the prices offered for the

bonds when the bonds are offered for sale. Interest costs will also vary for each item based on the number of years in the repayment period.

However, Ms. Wagner-Lockwood estimates that, if 1993 Lease Revenue Bonds are sold in a principal amount of $9.05 million (based on the CAO's current estimate of the actual equipment purchases which would be made with the bond proceeds), at an estimated annual interest rate of 4.2 percent (based on current market rates for short-term bonds), then, based on the expected repayment periods, the City's total principal and interest costs would be $10.18 million over the life of the bonds. Based on these estimates, the City's total interest costs over the life of the bonds would be $1.13 million ($10.13 million estimated total repayment cost less $9.05 million estimated original principal amount).

10. Ms. Wagner-Lockwood estimates that the City's total 1993-94 payments to the San Francisco Finance Corporation for the proposed new equipment (including principal and interest) will be approximately $2.25 million.

11. Because of the interest costs necessarily associated with lease-purchases and the need to budget lease-purchase payments over several years, the Budget Analyst believes that, to the maximum extent possible, the full cost of all equipment purchases should be incorporated into the annual operating budgets of City departments, rather than extended over a financing period of 3 to 7 years through lease purchasing arrangements.

12. Mr. Weiner states that the purchase price of the proposed equipment was detailed in 1992-93 departmental budgets for equipment purchases, in order to identify the proposed equipment purchases, but that departmental budgets were also reduced by an equivalent amount. Therefore, funds are not included in the City's approved 1992-93 budget for expenditures (either the purchase or leasing costs) for the proposed new equipment.

Mr. Weiner states that lease purchase payments for the new equipment will not be required in the current 1992-93 fiscal year, since the initial payments for new equipment are not made until approximately six months after the new equipment is purchased by the San Francisco Finance Corporation and leased to the City. In addition, the 1993 revenue bonds must be issued before the equipment can be purchased by the San Francisco Finance Corporation.

13. The proposed resolution provides for reimbursement by the San Francisco Finance Corporation of certain City expenditures. Mr. Weiner indicates that, under this provision, the City could receive reimbursement for any equipment which the City purchases before the proposed 1993 lease revenue bonds are sold. Subsequent to this reimbursement, the equipment would belong to the San Francisco Finance Corporation and could also be leased to the City.

14. The City would take ownership of the proposed equipment upon repayment of principal and interest costs to the San Francisco Finance Corporation, according to the repayment terms specified in the Equipment Lease Supplement No. 2, which the CAO would be authorized to execute under the proposed ordinance. As previously noted, the repayment period for the proposed equipment varies from 3 to 7 years.

**Recommendations:** 1. Amend Attachment A, which was submitted with the proposed ordinance and is on file with the Clerk of the Board, by amending the number of General Fleet vehicles for the Purchasing Department from 40 to 30.

2. Approve the proposed ordinance, as amended.

## Attachment A

Equipment Approved in FY 1992-93 Budget
Proposed to be Leased Financed through:

*City and County of San Francisco Finance Corporation*

| DEPARTMENT | EQUIPMENT | COUNT | UNIT COST | TOTAL COSTS | | FINANCING TERM |
|---|---|---|---|---|---|---|
| CONTROLLER | ROLL PAPER MACHINE | 1 | 125,000 | 125,000 | | 3 |
| DPW/SC&UF | MECHANICAL SWEEPER | 1 | 125,000 | 125,000 | | 4 |
| DPW/SC&UF | PASSENGER VANS | 10 | 18,803 | 188,030 | | 3 |
| FIRE | PUMPER TRUCK | 4 | 228,170 | 912,680 | | 7 |
| FIRE | AERIAL TRUCK | 2 | 448,225 | 896,450 | | 7 |
| POLICE | SOLO MOTORCYCLES | 10 | 7,688 | 76,880 | * | 5 |
| POLICE | TRAIL MOTORBIKES | 13 | 4,200 | 54,600 | * | 3 |
| POLICE | PATROL WAGONS & OUTFIT | 7 | 23,261 | 162,827 | | 4 |
| POLICE | PIC RADIOS | 225 | 2,079 | 467,775 | | 5 |
| POLICE | POLICE CARS | 116 | 17,846 | 2,070,158 | | 3 |
| PURCHASING | OCR - BARCODER | 1 | 250,000 | 250,000 | | 5 |
| PURCHASING | VEHICLES - GENERAL FLEET | 40 | 10,000 | 400,000 | | 5 |
| SFGH | INPATIENT BEDS | 126 | 6,910 | 870,710 | | 5 |
| SFGH | AMBULANCES | 5 | 80,000 | 400,000 | | 4 |
| SFGH | OR LIGHTS | 6 | 25,000 | 150,000 | | 4 |
| SFGH | SPECIALTY BEDS | 13 | 10,783 | 140,175 | | 5 |
| SFGH | ENDOSCOPIC COLOR VI | 3 | 69,992 | 209,976 | | 5 |
| SFGH | ENDOSCOPIC UTLTASONIC | 1 | 133,021 | 133,021 | | 5 |
| SFGH | ULTRASOUND UPGRADE | 2 | 130,430 | 260,860 | | 5 |
| SFGH | MAMMO PROCESSOR | 2 | 80,418 | 160,835 | | 5 |
| SFGH | CT UNIT | 1 | 1,326,801 | 1,326,801 | | 4 |
| TOTAL | | 589 | 3,123,627 | 9,381,778 | | |

* While these items do not meet threshold of $100,000 aggregrate cost, due to the high risk nature of the items, it was determined they could not be cost-effectively financed in any other fashion.

## Attachment B

Equipment Approved in FY 1992-93 Budget
Which Could Potentially be Leased Financed through:

*Master Vendor Lease Financing Program*

| DEPARTMENT | EQUIPMENT | COUNT | UNIT COST | TOTAL COSTS | | FINANCING TERM |
|---|---|---|---|---|---|---|
| ASSESSOR | COPIER | 2 | 17,500 | 35,000 | | 5 |
| DPH | TB CULTURE INCUBATOR | 2 | 20,000 | 40,000 | | 7 |
| DPH | FILING SYSTEM | 1 | 10,500 | 10,500 | | 5 |
| DPH | MAMMOGRAPHY VAN | 1 | 23,000 | 23,000 | | 7 |
| DPH | SOFTWARE LICENSE | 1 | 35,000 | 35,000 | * | 3 |
| DPH | AUTO | 1 | 14,000 | 14,000 | | 5 |
| DPH | AUTO | 1 | 11,908 | 11,908 | | 5 |
| DPH | CARGO VAN/PICKUP TRUCK | 1 | 15,155 | 15,155 | | 5 |
| DPH | SEDAN | 3 | 10,825 | 32,475 | | 5 |
| DPH | SPECTRUM ANALYZER | 1 | 22,733 | 22,733 | | 5 |
| DPW/BBR | SCISSORS LIFT | 1 | 23,950 | 23,950 | | 4 |
| DPW/BBR | HYDRAULIC SHEAR | 1 | 30,000 | 30,000 | | 5 |
| DPW/BBR | PICKUP TRUCK | 1 | 13,200 | 13,200 | | 4 |
| DPW/BBR | PICKUP TRUCK | 4 | 20,000 | 80,000 | | 4 |
| DPW/BBR | GENERATOR | 1 | 22,000 | 22,000 | | 4 |
| DPW/BBR | PASSENGER VAN | 1 | 20,000 | 20,000 | | 4 |
| DPW/BBR | PICKUP TRUCK | 4 | 12,200 | 48,800 | | 4 |
| LHH/MEDICAL | VAN, PARATRANSIT | 1 | 35,000 | 35,000 | | 7 |
| LHH/NURSING | RTAS/DIGITAL DICTATION | 1 | 16,100 | 16,100 | | 5 |
| LHH/OPS | TELXON + 2W/S, MIS | 1 | 13,020 | 13,020 | | 3 |
| LHH/OPS | DISHWASHER | 1 | 15,735 | 15,735 | | 5 |
| LHH/OPS | SECURITY CAMERA SYSTEM | 1 | 10,850 | 10,850 | | 5 |
| LHH/OPS | EQUIPMENT, DISH/SCRAPPER | 1 | 32,500 | 32,500 | | 5 |
| LHH/OPS | EQUIPMENT, VEGETABLE | 1 | 10,850 | 10,850 | | 5 |
| LHH/OPS | AUTO FEED FLATWORK | 1 | 30,000 | 30,000 | | 7 |
| LHH/OPS | PATROL VEHICLE | 1 | 21,650 | 21,650 | | 5 |
| LHH/OPS | STREET SWEEPER | 1 | 30,000 | 30,000 | | 5 |
| PURCHASING | COPIER | 1 | 14,191 | 14,191 | | 5 |
| RENT BOARD | COPIER | 1 | 14,000 | 14,000 | | 3 |
| SFGH | NURSE CALL SYSTEM | 1 | 16,825 | 16,825 | | 4 |
| SFGH | CENTRAL STATION | 1 | 66,000 | 66,000 | | 4 |
| SFGH | LIFEPAK CARDIAC MONITORS | 5 | 10,625 | 53,125 | | 4 |
| SFGH | AUTO | 1 | 20,000 | 20,000 | | 4 |
| SFGH | EMG MACHINE | 1 | 38,000 | 38,000 | | 4 |
| SFGH | OPHTHALMIC MICROSCOPE | 1 | 24,000 | 24,000 | | 4 |
| SFGH | SONIC WASHER | 1 | 29,407 | 29,407 | | 5 |
| Total | | 50 | 753,224 | 933,974 | | |

* May not qualify for lease financing.

## Attachment C

Equipment Approved in FY 1992-93 Budget
that should not be Lease Financed through either
the S. F. Finance Corporation or Master Vendor Lease Financing Program

| DEPARTMENT | EQUIPMENT | COUNT | UNIT COST | TOTAL COSTS |
|---|---|---|---|---|
| DPH | PERSONAL COMPUTER | 1 | 3,973 | 3,973 |
| DPH | PERSONAL COMPUTER | 1 | 3,900 | 3,900 |
| DPH | LASER PRINTER | 1 | 1,400 | 1,400 |
| DPH | PERSONAL COMPUTER | 1 | 1,900 | 1,900 |
| DPH | DENTAL CHAIRS | 2 | 4,052 | 8,104 |
| DPH | PERSONAL COMPUTER | 1 | 3,562 | 3,562 |
| DPH | LASER PRINTER | 2 | 1,600 | 3,200 |
| DPH | DENTAL STEAM STERILIZER | 5 | 4,123 | 20,615 |
| DPH | MULTIPLEXER | 1 | 6,000 | 6,000 |
| DPH | MULTIPLEXER | 2 | 3,444 | 6,888 |
| DPH | PERSONAL COMPUTER | 1 | 2,373 | 2,373 |
| DPH | MULTIPLEXER | 12 | 3,850 | 46,200 |
| DPH | LASER PRINTER | 1 | 1,617 | 1,617 |
| DPH | LASER PRINTER | 1 | 1,282 | 1,282 |
| DPH | PERSONAL COMPUTER | 1 | 3,218 | 3,218 |
| DPH | PERSONAL COMPUTER | 1 | 3,218 | 3,218 |
| DPH | LASER PRINTER | 1 | 1,282 | 1,282 |
| DPH | PERSONAL COMPUTER | 1 | 3,218 | 3,218 |
| DPH | LASER PRINTER | 1 | 1,282 | 1,282 |
| DPH | LASER PRINTER | 1 | 1,600 | 1,600 |
| DPH | PERSONAL COMPUTER | 1 | 3,600 | 3,600 |
| DPH | PERSONAL COMPUTER | 1 | 2,875 | 2,875 |
| DPH | LASER PRINTER | 1 | 1,880 | 1,880 |
| DPH | NOISE METER-TYPE 1 | 1 | 4,330 | 4,330 |
| DPH | PERSONAL COMPUTER | 1 | 3,000 | 3,000 |
| DPH | LASER PRINTER | 3 | 1,000 | 3,000 |
| DPW/BBR | WORKSTATION | 1 | 6,415 | 6,415 |
| DPW/BBR | TAPE BACKUP SYSTEM | 1 | 4,400 | 4,400 |
| DPW/BBR | WORKSTATION | 9 | 3,415 | 30,735 |
| DPW/BBR | HP LASERJET PRINTER IIIP | 8 | 1,100 | 8,800 |
| DPW/BBR | HP LASERJET PRINTER IIID | 1 | 2,400 | 2,400 |
| DPW/SC&UF | PORTABLE RESTROOMS | 10 | 6,275 | 62,745 |
| LHH/CLINIC | FURNITURE-ACCESSORIES | 1 | 5,000 | 5,000 |
| LHH/MEDICAL | FILE CABINET | 1 | 237 | 237 |
| LHH/MEDICAL | OFFICE CHAIRS | 3 | 246 | 738 |
| LHH/MEDICAL | CHAIRS | 5 | 105 | 525 |
| LHH/MEDICAL | ILLUNMUNIATOR, MAMMOGRAM | 1 | 1,625 | 1,625 |
| LHH/MEDICAL | CHAIR, MAMMOGRAPHY | 1 | 1,550 | 1,550 |
| LHH/MEDICAL | DENTAL X-RAY DEVLPMT UNIT | 1 | 2,200 | 2,200 |
| LHH/MEDICAL | WANDERGUARD SYSTEM | 1 | 4,000 | 4,000 |
| LHH/MEDICAL | WIDE SCREEN TV | 1 | 1,600 | 1,600 |

Attachment C (cont)

| DEPARTMENT | EQUIPMENT | COUNT | UNIT COST | TOTAL COSTS |
|---|---|---|---|---|
| LHH/MEDICAL | ADH EQUIPMENT | 1 | 800 | 800 |
| LHH/MEDICAL | OFFICE PANEL SYSTEMS | 1 | 1,670 | 1,670 |
| LHH/MEDICAL | REFRIGERATOR | 1 | 800 | 800 |
| LHH/MEDICAL | OFFICE CHAIR | 1 | 400 | 400 |
| LHH/NURSING | GUERNEY, PATIENT | 3 | 3,000 | 9,000 |
| LHH/NURSING | WHEELCHAIR, WIDE RECLINER | 3 | 1,250 | 3,750 |
| LHH/NURSING | LIFT, PATIENT ELECTRIC | 30 | 1,500 | 45,000 |
| LHH/NURSING | WHEELCHAIR, 24' EXTR | 1 | 2,000 | 2,000 |
| LHH/NURSING | LIFEPAK 9 SHOCK ADVISORY | 5 | 1,434 | 7,170 |
| LHH/NURSING | LIFEPAK 9 DEFIB./MONITOR | 5 | 7,145 | 35,725 |
| LHH/NURSING | WHEELCHAIR, 22' EXTR | 2 | 1,750 | 3,500 |
| LHH/NURSING | CART, MEDICATION | 2 | 1,200 | 2,400 |
| LHH/NURSING | BED, ELECTRIC | 2 | 2,300 | 4,600 |
| LHH/OPS | PANELS & OFFICE SYS | 1 | 4,883 | 4,883 |
| LHH/OPS | COMPUTER, MACINTOSH | 1 | 2,400 | 2,400 |
| LHH/OPS | MIRROR DRIVE, MIS | 1 | 5,425 | 5,425 |
| LHH/OPS | PANELS & OFFICE SYS | 1 | 1,670 | 1,670 |
| LHH/OPS | OVEN, ROAST & HOLD | 1 | 5,425 | 5,425 |
| LHH/OPS | SKILLET, TILTING | 3 | 6,510 | 19,530 |
| LHH/OPS | EVACUATION CHAIRS | 4 | 1,500 | 6,000 |
| LHH/OPS | RADIO, MOTOROLA 2-WAY | 1 | 6,500 | 6,500 |
| LHH/OPS | CARTS, LINEN DISTRIBUTION | 15 | 500 | 7,500 |
| LHH/OPS | UNIT, BATTERY CHARGER | 1 | 5,000 | 5,000 |
| LHH/OPS | TRACK SYSTEM, DRAPERY | 8 | 6,000 | 48,000 |
| LHH/OPS | WASHER, PRESSURE | 2 | 1,800 | 3,600 |
| LHH/OPS | VACUUM, WET/DRY | 1 | 1,800 | 1,800 |
| LHH/OPS | FLOOR, BURNISHER, AUTO | 1 | 3,000 | 3,000 |
| LHH/OPS | CHIPPER/SHREDDER | 1 | 5,600 | 5,600 |
| LHH/OPS | VEHICLE, UTILITY | 2 | 8,500 | 17,000 |
| LHH/OPS | CARTS, TOWING | 12 | 2,700 | 32,400 |
| POLICE | BULLET TRAP | 1 | 8,100 | 8,100 |
| POLICE | HAZARDOUS MATERIAL TRAP | 1 | 1,800 | 1,800 |
| POLICE | PA SYSTEM | 1 | 1,100 | 1,100 |
| POLICE | COMPUTER & PRINTER | 1 | 2,300 | 2,300 |
| POLICE | VCR & TV MONITOR | 1 | 2,000 | 2,000 |
| POLICE | SCANTRON | 1 | 2,200 | 2,200 |
| SFGH | SPECTRA RADIOS | 7 | 2,035 | 14,245 |
| SFGH | TAPE CABINETS | 1 | 4,000 | 4,000 |
| SFGH | ELECTROCARDIOGRAPH | 10 | 6,441 | 64,410 |
| SFGH | BEDSIDE MONITOR MODULES | 6 | 2,770 | 16,620 |
| SFGH | GURNEYS | 13 | 2,732 | 35,520 |
| Total | | 247 | 244,088 | 721,330 |

Items 5 and 6 - Files 102-92-13 and 101-92-31

**Department:** Mayor's Office of Children Youth and their Families (MOCYF)

**Items:** Ordinance (Item 5, File 102-92-13) to amend the 1992-93 Annual Salary Ordinance to reflect the addition of five positions.

Supplemental Appropriation Ordinance (Item 6, File 101-92-31) to fund the five new positions.

**Amount:** $70,804

**Source of Funds:** Children's Fund for Fiscal Year 1992-93

**Description:** The proposed ordinance (File 102-92-13) to amend 1992-93 Annual Salary Ordinance would create five new permanent positions as follows:

| No. | Classification | Biweekly Salary Range | Maximum Annual Salary at Top Step |
|---|---|---|---|
| 1 | 9786 Assistant to Mayor III | $1,826-1,916 | $50,008 |
| 1 | 9782 Assistant to Mayor I | 1,490-1,564 | 40,820 |
| 1 | 9740 Staff Assist. IV, Spec. Pjt. | 1,682-1,682 | 43,900 |
| 1 | 1632 Sr. Account Clerk | 1,136-1,375 | 35,888 |
| 1 | 1422 Jr. Clerk Typist | 866-1,047 | 27,327 |
| | Total | | $197,943 |

The proposed supplemental appropriation ordinance (File 101-92-31) would fund the proposed five new positions for nine biweekly payperiods from February 25, through June 30, 1993 at Step one (all new positions) plus fringe benefits as follows:

| | |
|---|---|
| Permanent Salaries - Misc. | $63,000 |
| Mandatory Fringe Benefits* | 7,804 |
| Total | $70,804 |

*Mandatory Fringe Benefits exclude Health Insurance which will not begin until August, 1993 in FY 1993-94 and Retirement for the Asst. to Mayor classifications that are not eligible for Retirement benefits.

The proposed source of funds is the Children's Fund including $24,062 in unappropriated revenue of the Children's Fund and $46,742 previously appropriated for Other Contractual Services and designated for administration of the Children's Fund.

Proposition J, commonly known as the "Children's Amendment", that was approved by the electorate in November, 1991, amended Section 6.415 of the Charter to require the establishment of the San Francisco Children's Fund. The San Francisco Children's Fund augments the fiscal year 1990-91 or 1991-92 (whichever was greater) level of expenditures for services and programs for children by requiring that the City set aside a certain percentage of property tax revenues in the Children's Fund to fund additional services for children.

The Children's Fund for Fiscal Year 1992-93 is approximately $5.7 million. The 1992-93 Children's Fund included $3,275,126 for contractual services for the purchase of children's services from community based organization contractors. As a result of a Request for Proposal process, the MOCYF reviewed 170 Statement of Intents and 124 Final Proposals in order to select 40 community based organization contractors. These activities were performed with a staff of 11 plus an ad-hoc (volunteer) advisory panel of 45 members. Drawing up the contracts, continuing monitoring of the contracts and processing payments to the contractors must be performed solely by MOCYF staff. The contracts were scheduled to begin on January 1, 1993. Some of the contracts and some agreements with other City departments have been finalized but most of the contracts and agreements are still being negotiated. MOCYF indicates that the existing staff is working overtime to finalize the remaining contracts and agreements but is counting on the proposed new staff to assist in finalizing the contracts and agreements, as well as establishing the monitoring, reporting and reimbursement systems for all of the contracts and agreements.

The Controller's Office estimates that the ad valorem tax revenue for the Fiscal Year 1993-94 Children's Fund will be approximately $13.2 million. The Children's Services Plan for 1993-94 allocates $7,288,524 of this $13.2 million for contractual services. Thus, the total MOCYF budget and the allocation for contractual services for 1993-94 are more than double the 1992-93 funding level ($13.2 for 1993-94 versus $5.7 for 1992-93 and $7,288,524 versus $3,275,126).

The MOCYF currently has a total staff of ten. Six of the existing staff are permanent positions including the Director (9792-Asst. to Mayor VI), a Deputy Director (9790-Asst. to Mayor V), two Grant Coordinators (9786-Asst. to Mayor III), a Child Care Coordinator (9784-Asst. to Mayor II) and a Secretary (1446-Secretary II). Four of the existing positions are full time temporary positions. The MOCYF also had two grant funded employees up to December 31, 1992 when the grant funding expired and two, half time volunteers (also through December, 1992). Two of the four temporary positions would become permanent positions if the proposed five new positions are approved resulting in a total staff of 13 positions (10 existing positions plus 5 new positions less 2 old temporary positions that would become 2 of the new positions).

The proposed five new position functional titles and duties and responsibilities are as follows:

Grant Fiscal Coordinator (9786 Assistant to Mayor III)
This position will be responsible for developing financial reporting systems to disburse Children's Fund monies, for the financial monitoring and implementation of financial systems for all Children's Fund grant (contract) activities including those administered by other City departments that are funded by the Children's Fund, as well as community based organizations.

Planning Coordinator (9782 Assistant to Mayor I)
The Planning Coordinator is responsible for developing the annual Children's Services Plan (CSP) that identifies the goals and priorities for the Children's Fund, conducting the initial stages of implementing the annual CSP including developing the Request for Proposals, coordination with other City departments that will be implementing CSP activities and will assist in the development and implementation of a long range Strategic Plan for Children's Services.

Special Projects Coordinator (9740 Staff Assist. IV, Spec. Pit.)
The Special Projects Coordinator's primary responsibility is the coordination and/or implementation of special projects related to the Children's Fund. Additionally, the Special Projects Coordinator will assist the Department Director with issues related to the administration and implementation of special projects, planning and policy issues.

Department Accountant (1632 Sr. Account Clerk)
This position is responsible for reviewing and processing invoices for payment from grantees, for completing other internal accounting forms, maintaining financial records, establishing and maintaining cash internal controls and liaison with other City departments that provide children's services funded by the Children's Fund activities, regarding their financial operations.

Receptionist/General Office (1422 Jr. Clerk Typist)
The 1422 Jr. Clerk Typist is responsible for routine clerical and office work including answering phones, typing letters, forms and notices and other general office clerical duties.

**Recommendation:** Approve the proposed ordinances.

Harvey M. Rose

cc: Supervisor Migden
Supervisor Hsieh
Supervisor Shelley
President Alioto
Supervisor Achtenberg
Supervisor Bierman
Supervisor Conroy
Supervisor Hallinan
Supervisor Kaufman
Supervisor Kennedy
Supervisor Maher
Clerk of the Board
Chief Administrative Officer
Controller
Jean Mariani
Barbara Kolesar
Ted Lakey

SF
S90.07
#2
1/27/93

CALENDAR — Actions Taken

MEETING OF
BUDGET COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

DOCUMENTS DEPT.
JAN 29 1993
SAN FRANCISCO
PUBLIC LIBRARY

WEDNESDAY, JANUARY 27, 1993 – 2:00 P.M. ROOM 228, CITY HALL

PRESENT: SUPERVISORS MIGDEN, HSIEH, SHELLEY

ABSENT: SUPERVISOR HSIEH – ITEM 1
SUPERVISOR SHELLEY – ITEMS 6, 8–11, and 13–14

CLERK: KAY GULBENGAY

NOTE: Copies of the Budget Analyst's Report will be available for review on the counter in the Office of the Clerk of the Board, Room 235, City Hall, 10:00 a.m., the date of the meeting.

1. File 133–92–2.3. [Release of Funds] Requesting release of reserved funds, Chief Administrative Officer/Solid Waste Management Program, in an amount totalling $241,000, for market research and marketing and advertising services, Barnes Clarke, Inc. (contractor). (CAO/Solid Waste Management Program)
(Continued from 1/20/93)

ACTION: Hearing held. Release of $241,000 recommended. Filed.

2. File 170–93–1. [Equipment Lease] Ordinance providing for the approval and execution and delivery by Officers of the City and County of San Francisco of an Equipment Lease Supplement No. 2 between the City and County of San Francisco Finance Corporation, as lessor and the City and County of San Francisco, as lessee with respect to equipment to be used for City purposes and the related certificate of approval; providing for reimbursement to the City of certain City expenditures prior to the issuance of lease revenue bonds and approving the issuance of Lease Revenue Bonds by said nonprofit corporation; and providing that said bonds shall be subject to the certification of the Controller of the City and County of San Francisco prior to the sale of said bonds; and providing for the execution of documents in connection therewith and ratifying previous actions taken in connection therewith. (Chief Administrative Officer)
(Continued from 1/20/93)

ACTION: Hearing held. Amendment of the whole (as presented by Chief Administrative Officer) adopted. Bearing same title. Recommended.

3. File 190–93–1. Hearing to consider legislation authorizing Department of Parking and Traffic to take all necessary steps to replace damaged and/or defective parking meter equipment. (Supervisor Shelley)

   ACTION: Hearing held. Filed.

4. File 102–92–13. [Public Employment] Ordinance amending Annual Salary Ordinance, 1992–93, Mayor's Office of Children, Youth and Their Families, reflecting the addition of five positions (Classifications 9786 Assistant to Mayor III (1), 9782 Assistant to Mayor I (1), 9740 Staff Assistant IV, Special Project (1), 1632 Sr. Account Clerk (1), 1422 Jr. Clerk Typist (1). (Civil Service Commission) (Companion measure to File 101–92–31)
   (Continued from 1/20/93)

   ACTION: Hearing held. Continued to February 3, 1993 meeting at request of author.

5. File 101–92–31. [Government Funding] Ordinance appropriating $70,804, Mayor's Office of Children, Youth and their Families, for permanent salaries – miscellaneous and related mandatory fringe benefits and rescinding $46,742 from other contractual services, for the creation of five positions. (Supervisor Achtenberg)
   (Continued from 1/20/93)

   ACTION: Hearing held. Continued to February 3, 1993 meeting at request of author.

6. File 101–92–23. [Government Funding] Ordinance appropriating $1,400,000, San Francisco General Hospital, for capital improvement project, (Ward 14 and 15) for fiscal year 1992–93; placing $1,140,000 on reserve. (Supervisor Gonzalez)

   ACTION: Hearing held. Recommended.

7. File 161–92–5.1. [Redevelopment Agency Budget and Bonds] Resolution approving an amendment to the Budget of the Redevelopment Agency for fiscal year 1992–93. (Supervisor Gonzalez)

   ACTION: Hearing held. Recommended. (Supervisor Hsieh dissented.)

8. File 101–92–30. [Government Funding] Ordinance appropriating $220,000, Public Defender, for permanent salaries, related mandatory fringe benefits. RO #92134 (Controller)

   ACTION: Hearing held. Recommended.

9. File 101-92-26. [Government Funding] Ordinance appropriating $8,727, Superior Court, for permanent salaries, related mandatory fringe benefits. RO #92125. (Controller)

   ACTION: Hearing held. Amendment of the whole adopted.
   New Title: "Appropriating $5,450 for permanent salaries and related mandatory fringe benefits, for the creation of one (1) position and deletion of one (1) position, Superior Court for Fiscal Year 1992-93."
   Continued to February 3, 1993 meeting.

10. File 102-92-11. [Public Employment] Ordinance amending Annual Salary Ordinance, 1992-93, Superior Court, reflecting the reclassification to two positions. (Companion measure to File 101-92-26)

    ACTION: Hearing held. Amended on page 1 (title) line 2 by replacing "two" with "one" and by deleting lines 15 and 16.
    New Title: "Amending Annual Salary Ordinance, 1992-93, Superior Court, reflecting the reclassification of one (1) position."
    Continued to February 3, 1993 meeting.

11. File 28-92-11.1. [Airport Administration] Resolution approving the Controller's action of increasing the Airports Commission project budget from $150,000 to $500,000 for Airport Contract No. 3200, emergency environmental services at Road 18 and Road 9, San Francisco International Airport. (Airports Commission)

    ACTION: Hearing held. Recommended.

12. File 175-93-1. [Local Public Finance Authority] Resolution declaring the intent of the Board of Supervisors of the City and County of San Francisco to propose an increase in the Transactions and Use Tax in the City and County pursuant to Chapter 3.5 of the Revenue and Taxation Code, and establishing the San Francisco County Public Finance Authority. (Supervisors Migden, Bierman)

    ACTION: Hearing held. Amendment of the whole (as presented by Supervisor Migden) adopted. Bearing same title.
    Recommended as amended. (Supervisor Hsieh dissented.)

13. File 100-92-12. Hearing to consider a report from the Controller regarding the 1992-93 fiscal year budget status to date. (Supervisor Migden)

    ACTION: Hearing held. Filed.

14. File 100-93-2. Hearing to consider Joint Report by Mayor, Controller, and Budget Analyst regarding the 1993-94 fiscal budget year projected revenues and expenditures. (Supervisor Migden)

    ACTION: Continued to February 10, 1993 meeting.

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# BOARD OF SUPERVISORS

BUDGET ANALYST
1390 MARKET STREET, SUITE 1025
SAN FRANCISCO, CALIFORNIA 94102 • TELEPHONE (415) 554-7642

January 25, 1993

**TO:** Budget Committee

**FROM:** Budget Analyst Recommendations.

**SUBJECT:** January 27, 1993 Budget Committee Meeting

Item 1 - File 133-92-2.3

**Note:** This item was continued at the January 20, 1993 Budget Committee Meeting.

**Department:** Chief Administrative Officer (CAO)
Solid Waste Management Program

**Item:** Release of reserved funds for market research and marketing and advertising services.

**Amount:** $241,000

**Source of Funds:** Refuse Collection and Disposal Fees Impound Account

**Description:** During its review of the Solid Waste Management Program's budget for fiscal year 1992-93, the Board of Supervisors reserved $241,000 of the Professional Services budget for market research and marketing and advertising services pending selection of the contractors and identification of hours, hourly rates and MBE/WBE status.

The Solid Waste Management Program sent notices of availability of requests for proposals to approximately 500 advertising and public relations firms in the San Francisco Bay Area. Twenty of these firms submitted proposals that were reviewed by a panel of public outreach coordinators and

public relations professionals who selected the firm of Barnes Clarke, Inc., a WBE firm. Barnes Clarke, Inc. will be utilizing three subcontractors including Wilson Chang Communications (a MBE firm), Consumer Action (a non-profit organization) and Wright Design Group (a for profit firm that is not a MBE/WBE firm).

According to the Solid Waste Management Program, market research and marketing and advertising services will be purchased on an as-needed basis. The Solid Waste Management Program has provided the attached list showing hourly rates and an estimate of hours of service at those hourly rates. The total hours of service is 1,641 and the average hourly rate is $78.62 ($241,000 total cost less $86,990 for production materials and $25,000 for advertising media buys or $129,010 divided by 1,641 hours).

**Recommendation:** Release reserve funding in the amount of $241,000 as requested.

Allocation of Funds - Public Education Program 1/93

| 1. Market Research | Direct Rate/hour *1 | Overhead *2 | Overall Rate/hour | Total # of Hours | Total Amount | |
|---|---|---|---|---|---|---|
| | | | | | | |
| Survey Designer | 50 | 25 | 75 | 83 | 6,225 | |
| Data Collector | 50 | 25 | 75 | 167 | 12,525 | |
| Data Analyst | 50 | 25 | 75 | 84 | 6,300 | |
| | | | | | | |
| Sub-Total | | | | | 25,050 | |
| | | | | | | |
| 2. Creative Service | | | | | | |
| | | | | | | |
| Developer of promotional programs and strategies | 60 | 25 | 85 | 70 | 5,950 | |
| Conceptual designer for specific projects (e.g. campaign themes, ad copy design treatment) | 60 | 25 | 85 | 71 | 6,035 | |
| | | | | | | |
| Sub-Total | | | | | 11,985 | |
| | | | | | | |
| 3. Production Management | | | | | | |
| | | | | | | |
| Production manager (overseeing production of promotional materials from initial concept to final product) | 55 | 20 | 75 | 150 | 11,250 | |
| | | | | | | |
| 4. Video Production | | | | | | |
| | | | | | | |
| Conceptual developer | 60 | 25 | 85 | 20 | 1,700 | |
| Script writer | 60 | 25 | 85 | 40 | 3,400 | |
| Editor/producer | 100 | 50 | 150 | 15 | 2,250 | |
| | | | | | | |
| Sub-Total | | | | | 7,350 | |
| | | | | | | |
| | | | | | | |





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Allocation of Funds - Public Education Program 1/93

| | Direct Rate/hour | Overhead | Overall Rate/hour | Total # of Hours | Total Amount |
|---|---|---|---|---|---|
| 5. Artwork | | | | | |
| Concept designer | 80 | 20 | 100 | 100 | 10,000 |
| Graphic designer | 80 | 20 | 100 | 150 | 15,000 |
| Mechanical art preparer | 55 | 20 | 75 | 128 | 9,600 |
| Typsetter | 55 | 20 | 75 | 128 | 9,600 |
| Illustrator | 60 | 20 | 80 | 60 | 4,800 |
| Sub-Total | | | | | 49,000 |
| 6. Copywriter | 40 | 25 | 65 | 300 | 19,500 |
| 7. Photographer | 40 | 25 | 65 | 75 | 4,875 |
| 8. Word Processing *3 | 20 | | | | |
| 9. Administrative support *3 | 10 | | | | |
| 10. Production of Materials | | | | | 86,990 |
| 11. Advertising media buys *4 | | | | | 25,000 |
| GRAND TOTOAL | | | | | 241,000 |

*1 Direct rate includes mdical and dental insurance, life and disability insurance, FICA and medicare. These costs are approximately 25% of the direct rate.

*2 Overhead cost include rent, utilities, office equipment, rental and/or depreciation, business/liability insurance, supplies, administrative staff, word processors, taxes/fees, payroll expenses, office cleaning and maintenance, phone/fax/postage/messenger, marketing/advertising, professional fees and services.

*3 Clerical, secretarial and word processing services are already factored into the individual overhead rates.

*4 Media buys include placement of promotional materials on billboards, bus shelters, buses, newspapers, etc.

Item 2 - File 170-93-1

**Note:** This item was continued from the January 20, 1993 meeting of the Budget Committee.

**Item:** Ordinance providing for the approval and execution and delivery by officers of the City and County of San Francisco of an Equipment Lease Supplement No. 2 between the San Francisco Finance Corporation, as Lessor, and the City and County of San Francisco, as Lessee, with respect to equipment to be used for City purposes and the related Certificate of Approval; providing for reimbursement to the City of certain City expenditures prior to the issuance of lease revenue bonds and approving the issuance of lease revenue bonds by said non-profit corporation; providing that said bonds shall be subject to the certification of the Controller of the City and County of San Francisco prior to the sale of said bonds; and providing for the execution of documents in connection therewith and ratifying previous actions taken in connection therewith.

**Amount:** Not to exceed $10 million.

**Description:** In June, 1990, San Francisco voters approved Proposition C, a Charter amendment which authorized the Board of Supervisors to authorize and approve the lease-financing of equipment purchases for the City through a non-profit corporation, the San Francisco Finance Corporation. The equipment leased by the City is purchased by the San Francisco Finance Corporation with the proceeds of Lease Revenue Bonds.

Pursuant to Proposition C, the total outstanding indebtedness of the San Francisco Finance Corporation may not exceed a principal amount of $20 million at any given time beginning in 1990-91, with the limit increased by 5 percent in each subsequent fiscal year. The maximum amount of authorized outstanding indebtedness in 1992-93 will be $22,050,000.

Interest rates on lease-revenue bonds issued by non-profit corporations are generally lower than on other financing instruments, resulting in lower lease-purchase costs to the City, because of the tax-exempt status of investments in non-profit corporations. Proposition C requires that the San Francisco Finance Corporation may not issue Lease Revenue Bonds for equipment purchases unless the Controller certifies that the interest costs to the City will be lower through the San Francisco Finance Corporation than through other financing instruments.

In fiscal year 1990-91 the Board of Supervisors authorized the issuance by the San Francisco Finance Corporation of $7,304,707 in Lease Revenue Bonds to finance the purchase of equipment, and authorized the execution of an Equipment Lease between the City and the San Francisco Finance Corporation for the purchased equipment. In 1991-92, the Board of Supervisors approved the issuance of not more than an additional $10 million in lease revenue bonds (Series 1992A) for equipment purchases, and authorized the approval of an Equipment Lease Supplement No. 1 between the City and the San Francisco Finance Corporation for the lease-purchase of equipment obtained with the Series 1992A revenue bond proceeds.

The proposed ordinance would authorize the issuance of additional lease revenue bonds in fiscal year 1992-93 by the San Francisco Finance Corporation in an amount not to exceed $10 million, provided that the Controller certifies that interest costs to the City under the proposed bond issuance would be lower than through other financing sources. The proposed ordinance would also authorize an Equipment Lease Supplement No. 2 between the City and the San Francisco Finance Corporation for the City's lease purchase of additional equipment purchased with new bond revenues.

The proposed ordinance was continued from the January 20, 1993 meeting of the Budget Committee in order to consider the inclusion of parking meter equipment in the equipment which would be purchased with the proposed lease revenue bonds (see Comment 15).

In addition, the proposed ordinance provides for reimbursement to the City of certain expenditures (see Comment 13) prior to the issuance of the proposed additional lease revenue bonds, provides for the execution of documents needed to implement the proposed ordinance, and ratifies actions previously taken.

The annual budgets of City departments must include the amount of the City's annual lease purchase payments (including principal and interest) for equipment procured through the San Francisco Finance Corporation. Since these payments are required under the terms of the lease-purchase agreement with the San Francisco Finance Corporation, the annual payments become fixed costs of City departments for a period of several years, once the equipment has been procured, until the cost of the equipment is paid in full by the City.

**Comments:**

1. As previously noted, the San Francisco Finance Corporation was authorized to issue $7,304,707 in 1990-91 and up to $10 million in 1991-92 in Lease Purchase Revenue bonds to procure equipment on behalf of the City. According to the Chief Administrative Officer, Mr. Rudy Nothenberg, the actual amount of Lease Purchase Revenue bonds issued by the San Francisco Finance Corporation, the amounts which have been repaid, and the current outstanding indebtedness of the San Francisco Finance Corporation are as follows:

| Description | Amount | |
|---|---|---|
| Series 1991A | | |
| Lease Purchase Revenue Bonds Issued | $7,020,000 | |
| Repayment to date | (2,060,000) | |
| Outstanding Indebtedness: Series 1991A: | | $4,960,000 |
| Series 1992A | | |
| Lease Purchase Revenue Bonds Issued | $5,555,000 | |
| Repayment to date | (365,000) | |
| Outstanding Indebtedness: Series 1992A: | | 5,190,000 |
| Total Current Outstanding Indebtedness | | $10,150,000 |

2. Proposition C established limits on the total outstanding indebtedness of the San Francisco Finance Corporation. The Charter amendment states that total indebtedness was limited to $20 million, to be "increased by 5 percent each fiscal year following approval of this subsection." The Charter amendment was approved in June, 1990.

Mr. Fred Weiner of the CAO's Office states that the City has adopted a conservative interpretation of the Charter amendment by regarding $20 million as the debt limit for 1990-91, without the 5 percent increase which was allowed "in the first fiscal year" following enactment of Proposition C in June, 1990. On this basis, the limit on the outstanding debt capacity for 1992-93 is $22,050,000 and, under Proposition C, the San Francisco Finance Corporation can issue no more than $11.9 million in lease purchase revenue bonds in 1992-93 ($22,050,00 current debt limit less $10,150,000 current outstanding debt).

As previously noted, the proposed ordinance would authorize the issuance of new revenue bonds in 1992-93 in an amount not to exceed $10 million, which is within the San Francisco Finance Corporation's current debt capacity under Proposition C of $11.9 million. If a total of $10 million in new revenue bonds is actually issued in 1992-93, the debt capacity

for 1993-94 will be $3,002,500 ($1.9 million remaining debt capacity in 1992-93 plus $1,102,500 in new debt capacity for 1993-94, based on a 5 percent increase from $22,050,000 to $23,152,500).

3. Mr. Nothenberg reports that approximately $10.6 million in equipment was approved for lease financing by the Mayor and the Board of Supervisors in the 1992-93 budget. This amount exceeds by $600,000 the proposed $10 million in new revenue bonds which would be authorized under the proposed ordinance.

A list prepared by the CAO's Office of the equipment purchases requested by City departments for 1992-93, at a total cost of $11,037,082, is attached to this report.

"Attachment A" lists proposed equipment purchases totalling $9,381,778 for equipment valued at more than $100,000, or which could not be cost-effectively financed through other means, according to the CAO's Office. "Attachment B" reflects proposed equipment purchases of $933,974 for equipment valued between $10,000 and $100,000. "Attachment C" reflects proposed purchases of $721,330 for equipment valued at less than $10,000.

The financing term for the lease-purchase of this equipment varies from 3 to 7 years.

4. Mr. Nothenberg advises that, in his opinion, City departments have requested equipment lease-purchases by the City which are inappropriate for this type of financing, since the San Francisco Finance Corporation was established to finance "major" equipment lease purchases by City departments. The Budget Analyst strongly concurs and notes that lease-purchases of equipment should be limited to items which are appropriately financed over a period of 3 to 7 years, based on the expected useful life of the equipment, or for which funds are unavailable for outright purchase because the cost of the equipment is prohibitively expensive.

Mr. Nothenberg states that only the equipment listed on Attachment A, with a total value of $9,381,778, (or $618,222 less than the $10 million proposed maximum amount of the bond issue) is appropriate for lease-financing through the San Francisco Finance Corporation.

The proposed ordinance reflects that the equipment listed in Attachment A would be purchased with the proposed lease revenue bonds.

Ms. Laura Wagner-Lockwood of the CAO's Office states that, although the total cost of the equipment listed on Attachment A is only $9,381,778, a bond issue of up to $10 million will still be needed to purchase the equipment, because: 1) the actual equipment costs will be determined through competitive bidding, which could increase total expenditures above the estimated $9,381,778; and, 2) the San Francisco Finance Corporation is required to maintain a reserve balance of approximately 10 percent of the bond proceeds.

5. Attachment A lists 40 General Fleet Vehicles which would be purchased on behalf of the City at a total cost of $400,000, whereas the approved 1992-93 budget authorizes only 30 General Fleet vehicles to be purchased at a maximum cost of $402,000. Mr. Weiner, of the CAO's Office, and Mr. Ara Minasian of the Purchasing Department attribute this discrepancy to a typographical error in the number of vehicles listed on Attachment A, which should be amended from "40" to "30."

6. Mr. Nothenberg reports that he will propose that the equipment listed on Attachment B, valued at $933,974, be financed through a new "Master Vendor Lease Financing Program," which would involve obtaining a line of credit from a bank or other financial institution. Once established, departments would then be allowed to access this credit line to purchase these smaller equipment items if previously authorized in the budget, according to Mr. Nothenberg.

Mr. Nothenberg reports that he is working with the City Attorney, the Controller, and the Mayor's Office to develop such a proposal, which would then be subject to separate approval by the Board of Supervisors.

7. Mr. Nothenberg states that, in his opinion, it is not "economically prudent or practically feasible" to lease-finance the equipment items listed on Attachment C, each of which is valued at less than $10,000. Mr. Nothenberg recommends that these items not be lease-financed but purchased outright in the 1993-94 budget.

Attachment C includes 247 low-cost items valued at less than $10,000, including several file cabinets and office chairs at a unit cost of less than $250. The Budget Analyst strongly concurs with the Chief Administrative Office that these items are inappropriate for lease-financing.

8. The use of lease-financing is equivalent to borrowing funds, with resultant interest costs, to pay for the City's smaller type equipment items which should instead be fully reflected in annual departmental budget requests. Since such financing also requires fixed, mandatory lease payments by City departments over several years, the extensive use of lease-purchases "locks in" departmental expenditures for future years. This will adversely affect the City by limiting discretion and constraining the allocation of City funds in future years.

9. The actual interest costs to the City of the proposed 1992-93 equipment lease-purchases cannot be determined precisely, since the interest rate will depend on the prices offered for the bonds when the bonds are offered for sale. Interest costs will also vary for each item based on the number of years in the repayment period.

However, Ms. Wagner-Lockwood estimates that, if 1993 Lease Revenue Bonds are sold in a principal amount of $9.05 million (based on the CAO's current estimate of the actual equipment purchases which would be made with the bond proceeds), at an estimated annual interest rate of 4.2 percent (based on current market rates for short-term bonds), then, based on the expected repayment periods, the City's total principal and interest costs would be $10.17 million over the life of the bonds. Based on these estimates, the City's total interest costs over the life of the bonds would be $1.12 million ($10.17 million estimated total repayment cost less $9.05 million estimated original principal amount).

10. Ms. Wagner-Lockwood estimates that the City's total 1993-94 payments to the San Francisco Finance Corporation for the proposed new equipment (including principal and interest) will be approximately $2.25 million, and that the maximum debt service (amount of the City's repayment) which would be required in any single year before the bonds are retired would be approximately $2.5 million.

However, the proposed ordinance reflects that the maximum annual payment for the proposed equipment would be $1.5 million. Ms. Wagner-Lockwood states that this reflects a typographical error, and the proposed ordinance should be amended to reflect a maximum annual payment of $2.5 million.

11. Because of the interest costs necessarily associated with lease-purchases and the need to budget lease-purchase payments over several years, the Budget Analyst believes

that, to the maximum extent possible, the full cost of all equipment purchases should be incorporated into the annual operating budgets of City departments, rather than extended over a financing period of 3 to 7 years through lease purchasing arrangements.

12. Mr. Weiner states that the purchase price of the proposed equipment was detailed in 1992-93 departmental budgets for equipment purchases, in order to identify the proposed equipment purchases, but that departmental budgets were also reduced by an equivalent amount. Therefore, funds are not included in the City's approved 1992-93 budget for expenditures (either the purchase or leasing costs) for the proposed new equipment.

Mr. Weiner states that lease purchase payments for the new equipment will not be required in the current 1992-93 fiscal year, since the initial payments for new equipment are not made until approximately six months after the new equipment is purchased by the San Francisco Finance Corporation and leased to the City. In addition, the 1993 revenue bonds must be issued before the equipment can be purchased by the San Francisco Finance Corporation.

13. The proposed resolution provides for reimbursement by the San Francisco Finance Corporation of certain City expenditures. Mr. Weiner indicates that, under this provision, the City could receive reimbursement for any equipment which the City purchases before the proposed 1993 lease revenue bonds are sold. Subsequent to this reimbursement, the equipment would belong to the San Francisco Finance Corporation and could also be leased to the City.

14. The City would take ownership of the proposed equipment upon repayment of principal and interest costs to the San Francisco Finance Corporation, according to the repayment terms specified in the Equipment Lease Supplement No. 2, which the CAO would be authorized to execute under the proposed ordinance. As previously noted, the repayment period for the proposed equipment varies from 3 to 7 years.

**Proposal to Include Parking Meter Equipment**

15. The proposed ordinance was continued from the January 20, 1993 Budget Committee meeting in order to consider the inclusion of parking meter equipment in the list of equipment which would be purchased with the proposed lease revenue bonds. The Deparment of Parking and Traffic (DPT) has

reported that new equipment is needed due to vandalism against the City's existing parking meters (see File 190-93-1, item 3 of this report).

The proposed parking meter equipment was not included in the approved 1992-93 budget. If the equipment is not financed with lease revenue bonds, it would require a supplemental appropriation in order to be replaced. The estimated replacement cost is $835,200.

16. Ms. Wagner-Lockwood states that it was originally anticipated that a bond issue of up to $10 million would provide for all equipment purchases on Attachment A except the CAT-scan unit for San Francisco General Hospital (SFGH), valued at approximately $1.3 million, since SFGH indicated a desire to lease, rather than lease-purchase, the CAT-scan unit.

If the CAT-scan unit were included, Ms. Laura-Wagner indicates that a bond issue of $10.7 million would be needed to purchase all of the equipment listed on Attachment A (without including the proposed additional parking meter equipment). This estimated $10.7 million cost would exceed the maximum bond issue of $10 million as currently provided in the proposed ordinance.

Ms. Wagner-Lockwood states that she has been advised by SFGH that the hospital will seek to lease the CAT-scan equipment, but would like to reserve an option to lease-purchase the equipment. Ms. Wagner-Lockwood states that it is inadvisable to issue lease-purchase revenue bonds for equipment which may not be purchased, and the Budget Analyst concurs.

17. Ms. Wagner-Lockwood has developed the following four scenarios for lease purchases of equipment under the proposed ordinance, depending on whether or not the parking meter equipment and the CAT-scan equipment are included. (Apart from these items, the scenarios assume that all other equipment items authorized in the 1992-93 budget, and appearing on Attachment A, would be purchased.)

| Alternative: | Bond Issue Required | Maximum Annual Debt Service | Estimated Total Interest Cost |
|---|---|---|---|
| 1. Omit CAT-scan omit parking meters | $9.05 million | $2.5 million | $1.12 million |
| 2. Omit CAT-scan include parking meters | $10.2 million | $3.0 million | $1.3 million |
| 3. Include CAT-scan omit parking meters | $10.7 million | $3.0 million | $1.4 million |
| 4. Include CAT-scan include parking meters | $11.6 million | $3.3 million | 1.47 million |

The table above reflects the bond issue which would be required to purchase the equipment included in each scenario, the maximum annual debt service (maximum amount of the City's repayment) which would be required in order to retire the bonds on schedule, and the estimated total interest cost to the City associated with each alternative. As the size of the required bond issue increases, the table generally reflects that higher annual repayments are needed to retire the bonds on schedule, and that estimated interest costs increase due to the increase in the principal amount.

**Recommendations:** 1. Amend Attachment A, which was submitted with the proposed ordinance and is on file with the Clerk of the Board, by amending the number of General Fleet vehicles for the Purchasing Department from 40 to 30, in accordance with Comment 5, above.

2. If the proposed lease revenue bonds are approved in an amount higher than $10 million, the proposed ordinance should be amended at page 4, line 4 and page 4, line 8 to reflect the maximum amount of the bond issue which would be authorized by the Board of Supervisors, as follows:

If the CAT-scan is excluded and the Committee authorizes the lease-purchase of the parking meter equipment, amend page 4, line 4 and page 4, line 8, to reflect an amount not to exceed $10.2 million.

If the CAT-scan is included and the Committee authorizes the lease-purchase of the parking meter equipment, amend page 4, line 4 and page 4, line 8, to reflect an amount not to exceed $11.6 million.

3. Amend page 4, line 6 of the proposed ordinance to reflect that the City's maximum annual payment for a bond issue not to exceed $10 million would be $2.5 million, rather than $1.5 million, in accordance with Comment 10, above. However, if the proposed lease revenue bonds are approved in an amount which may exceed $10 million, amend page 4, line 6 to reflect the revised maximum annual amount of the City's repayment, based on the maximum amount of the lease revenue bonds which are authorized.

## Attachment A

Equipment Approved in FY 1992-93 Budget
Proposed to be Leased Financed through:

*City and County of San Francisco Finance Corporation*

| DEPARTMENT | EQUIPMENT | COUNT | UNIT COST | TOTAL COSTS | | FINANCING TERM |
|---|---|---|---|---|---|---|
| CONTROLLER | ROLL PAPER MACHINE | 1 | 125,000 | 125,000 | | 3 |
| DPW/SC&UF | MECHANICAL SWEEPER | 1 | 125,000 | 125,000 | | 4 |
| DPW/SC&UF | PASSENGER VANS | 10 | 18,803 | 188,030 | | 3 |
| FIRE | PUMPER TRUCK | 4 | 228,170 | 912,680 | | 7 |
| FIRE | AERIAL TRUCK | 2 | 448,225 | 896,450 | | 7 |
| POLICE | SOLO MOTORCYCLES | 10 | 7,688 | 76,880 | * | 5 |
| POLICE | TRAIL MOTORBIKES | 13 | 4,200 | 54,600 | * | 3 |
| POLICE | PATROL WAGONS & OUTFIT | 7 | 23,261 | 162,827 | | 4 |
| POLICE | PIC RADIOS | 225 | 2,079 | 467,775 | | 5 |
| POLICE | POLICE CARS | 116 | 17,846 | 2,070,158 | | 3 |
| PURCHASING | OCR - BARCODER | 1 | 250,000 | 250,000 | | 5 |
| PURCHASING | VEHICLES - GENERAL FLEET | 40 | 10,000 | 400,000 | | 5 |
| SFGH | INPATIENT BEDS | 126 | 6,910 | 870,710 | | 5 |
| SFGH | AMBULANCES | 5 | 80,000 | 400,000 | | 4 |
| SFGH | OR LIGHTS | 6 | 25,000 | 150,000 | | 4 |
| SFGH | SPECIALTY BEDS | 13 | 10,783 | 140,175 | | 5 |
| SFGH | ENDOSCOPIC COLOR VI | 3 | 69,992 | 209,976 | | 5 |
| SFGH | ENDOSCOPIC UTLTASONIC | 1 | 133,021 | 133,021 | | 5 |
| SFGH | ULTRASOUND UPGRADE | 2 | 130,430 | 260,860 | | 5 |
| SFGH | MAMMO PROCESSOR | 2 | 80,418 | 160,835 | | 5 |
| SFGH | CT UNIT | 1 | 1,326,801 | 1,326,801 | | 4 |
| TOTAL | | 589 | 3,123,627 | 9,381,778 | | |

* While these items do not meet threshold of $100,000 aggregate cost, due to the high risk nature of the items, it was determined they could not be cost-effectively financed in any other fashion.

## Attachment B

Equipment Approved in FY 1992-93 Budget
Which Could Potentially be Leased Financed through:

*Master Vendor Lease Financing Program*

| DEPARTMENT | EQUIPMENT | COUNT | UNIT COST | TOTAL COSTS | | FINANCING TERM |
|---|---|---|---|---|---|---|
| ASSESSOR | COPIER | 2 | 17,500 | 35,000 | | 5 |
| DPH | TB CULTURE INCUBATOR | 2 | 20,000 | 40,000 | | 7 |
| DPH | FILING SYSTEM | 1 | 10,500 | 10,500 | | 5 |
| DPH | MAMMOGRAPHY VAN | 1 | 23,000 | 23,000 | | 7 |
| DPH | SOFTWARE LICENSE | 1 | 35,000 | 35,000 | * | 3 |
| DPH | AUTO | 1 | 14,000 | 14,000 | | 5 |
| DPH | AUTO | 1 | 11,908 | 11,908 | | 5 |
| DPH | CARGO VAN/PICKUP TRUCK | 1 | 15,155 | 15,155 | | 5 |
| DPH | SEDAN | 3 | 10,825 | 32,475 | | 5 |
| DPH | SPECTRUM ANALYZER | 1 | 22,733 | 22,733 | | 5 |
| DPW/BBR | SCISSORS LIFT | 1 | 23,950 | 23,950 | | 4 |
| DPW/BBR | HYDRAULIC SHEAR | 1 | 30,000 | 30,000 | | 5 |
| DPW/BBR | PICKUP TRUCK | 1 | 13,200 | 13,200 | | 4 |
| DPW/BBR | PICKUP TRUCK | 4 | 20,000 | 80,000 | | 4 |
| DPW/BBR | GENERATOR | 1 | 22,000 | 22,000 | | 4 |
| DPW/BBR | PASSENGER VAN | 1 | 20,000 | 20,000 | | 4 |
| DPW/BBR | PICKUP TRUCK | 4 | 12,200 | 48,800 | | 4 |
| LHH/MEDICAL | VAN, PARATRANSIT | 1 | 35,000 | 35,000 | | 7 |
| LHH/NURSING | RTAS/DIGITAL DICTATION | 1 | 16,100 | 16,100 | | 5 |
| LHH/OPS | TELXON + 2W/S, MIS | 1 | 13,020 | 13,020 | | 3 |
| LHH/OPS | DISHWASHER | 1 | 15,735 | 15,735 | | 5 |
| LHH/OPS | SECURITY CAMERA SYSTEM | 1 | 10,850 | 10,850 | | 5 |
| LHH/OPS | EQUIPMENT, DISH/SCRAPPER | 1 | 32,500 | 32,500 | | 5 |
| LHH/OPS | EQUIPMENT, VEGETABLE | 1 | 10,850 | 10,850 | | 5 |
| LHH/OPS | AUTO FEED FLATWORK | 1 | 30,000 | 30,000 | | 7 |
| LHH/OPS | PATROL VEHICLE | 1 | 21,650 | 21,650 | | 5 |
| LHH/OPS | STREET SWEEPER | 1 | 30,000 | 30,000 | | 5 |
| PURCHASING | COPIER | 1 | 14,191 | 14,191 | | 5 |
| RENT BOARD | COPIER | 1 | 14,000 | 14,000 | | 3 |
| SFGH | NURSE CALL SYSTEM | 1 | 16,825 | 16,825 | | 4 |
| SFGH | CENTRAL STATION | 1 | 66,000 | 66,000 | | 4 |
| SFGH | LIFEPAK CARDIAC MONITORS | 5 | 10,625 | 53,125 | | 4 |
| SFGH | AUTO | 1 | 20,000 | 20,000 | | 4 |
| SFGH | EMG MACHINE | 1 | 38,000 | 38,000 | | 4 |
| SFGH | OPHTHALMIC MICROSCOPE | 1 | 24,000 | 24,000 | | 4 |
| SFGH | SONIC WASHER | 1 | 29,407 | 29,407 | | 5 |
| Total | | 50 | 753,224 | 933,974 | | |

* May not qualify for lease financing.

## Attachment C

Equipment Approved in FY 1992-93 Budget
that should not be Lease Financed through either
the S. F. Finance Corporation or Master Vendor Lease Financing Program

| DEPARTMENT | EQUIPMENT | COUNT | UNIT COST | TOTAL COSTS |
|---|---|---|---|---|
| DPH | PERSONAL COMPUTER | 1 | 3,973 | 3,973 |
| DPH | PERSONAL COMPUTER | 1 | 3,900 | 3,900 |
| DPH | LASER PRINTER | 1 | 1,400 | 1,400 |
| DPH | PERSONAL COMPUTER | 1 | 1,900 | 1,900 |
| DPH | DENTAL CHAIRS | 2 | 4,052 | 8,104 |
| DPH | PERSONAL COMPUTER | 1 | 3,562 | 3,562 |
| DPH | LASER PRINTER | 2 | 1,600 | 3,200 |
| DPH | DENTAL STEAM STERILIZER | 5 | 4,123 | 20,615 |
| DPH | MULTIPLEXER | 1 | 6,000 | 6,000 |
| DPH | MULTIPLEXER | 2 | 3,444 | 6,888 |
| DPH | PERSONAL COMPUTER | 1 | 2,373 | 2,373 |
| DPH | MULTIPLEXER | 12 | 3,850 | 46,200 |
| DPH | LASER PRINTER | 1 | 1,617 | 1,617 |
| DPH | LASER PRINTER | 1 | 1,282 | 1,282 |
| DPH | PERSONAL COMPUTER | 1 | 3,218 | 3,218 |
| DPH | PERSONAL COMPUTER | 1 | 3,218 | 3,218 |
| DPH | LASER PRINTER | 1 | 1,282 | 1,282 |
| DPH | PERSONAL COMPUTER | 1 | 3,218 | 3,218 |
| DPH | LASER PRINTER | 1 | 1,282 | 1,282 |
| DPH | LASER PRINTER | 1 | 1,600 | 1,600 |
| DPH | PERSONAL COMPUTER | 1 | 3,600 | 3,600 |
| DPH | PERSONAL COMPUTER | 1 | 2,875 | 2,875 |
| DPH | LASER PRINTER | 1 | 1,880 | 1,880 |
| DPH | NOISE METER-TYPE 1 | 1 | 4,330 | 4,330 |
| DPH | PERSONAL COMPUTER | 1 | 3,000 | 3,000 |
| DPH | LASER PRINTER | 3 | 1,000 | 3,000 |
| DPW/BBR | WORKSTATION | 1 | 6,415 | 6,415 |
| DPW/BBR | TAPE BACKUP SYSTEM | 1 | 4,400 | 4,400 |
| DPW/BBR | WORKSTATION | 9 | 3,415 | 30,735 |
| DPW/BBR | HP LASERJET PRINTER IIIP | 8 | 1,100 | 8,800 |
| DPW/BBR | HP LASERJET PRINTER IIID | 1 | 2,400 | 2,400 |
| DPW/SC&UF | PORTABLE RESTROOMS | 10 | 6,275 | 62,745 |
| LHH/CLINIC | FURNITURE-ACCESSORIES | 1 | 5,000 | 5,000 |
| LHH/MEDICAL | FILE CABINET | 1 | 237 | 237 |
| LHH/MEDICAL | OFFICE CHAIRS | 3 | 246 | 738 |
| LHH/MEDICAL | CHAIRS | 5 | 105 | 525 |
| LHH/MEDICAL | ILLUNMUNIATOR, MAMMOGRAM | 1 | 1,625 | 1,625 |
| LHH/MEDICAL | CHAIR, MAMMOGRAPHY | 1 | 1,550 | 1,550 |
| LHH/MEDICAL | DENTAL X-RAY DEVLPMT UNIT | 1 | 2,200 | 2,200 |
| LHH/MEDICAL | WANDERGUARD SYSTEM | 1 | 4,000 | 4,000 |
| LHH/MEDICAL | WIDE SCREEN TV | 1 | 1,600 | 1,600 |

Attachment C (cont)

| DEPARTMENT | EQUIPMENT | COUNT | UNIT COST | TOTAL COSTS |
|---|---|---|---|---|
| LHH/MEDICAL | ADH EQUIPMENT | 1 | 800 | 800 |
| LHH/MEDICAL | OFFICE PANEL SYSTEMS | 1 | 1,670 | 1,670 |
| LHH/MEDICAL | REFRIGERATOR | 1 | 800 | 800 |
| LHH/MEDICAL | OFFICE CHAIR | 1 | 400 | 400 |
| LHH/NURSING | GUERNEY, PATIENT | 3 | 3,000 | 9,000 |
| LHH/NURSING | WHEELCHAIR, WIDE RECLINER | 3 | 1,250 | 3,750 |
| LHH/NURSING | LIFT, PATIENT ELECTRIC | 30 | 1,500 | 45,000 |
| LHH/NURSING | WHEELCHAIR, 24' EXTR | 1 | 2,000 | 2,000 |
| LHH/NURSING | LIFEPAK 9 SHOCK ADVISORY | 5 | 1,434 | 7,170 |
| LHH/NURSING | LIFEPAK 9 DEFIB./MONITOR | 5 | 7,145 | 35,725 |
| LHH/NURSING | WHEELCHAIR, 22' EXTR | 2 | 1,750 | 3,500 |
| LHH/NURSING | CART, MEDICATION | 2 | 1,200 | 2,400 |
| LHH/NURSING | BED, ELECTRIC | 2 | 2,300 | 4,600 |
| LHH/OPS | PANELS & OFFICE SYS | 1 | 4,883 | 4,883 |
| LHH/OPS | COMPUTER, MACINTOSH | 1 | 2,400 | 2,400 |
| LHH/OPS | MIRROR DRIVE, MIS | 1 | 5,425 | 5,425 |
| LHH/OPS | PANELS & OFFICE SYS | 1 | 1,670 | 1,670 |
| LHH/OPS | OVEN, ROAST & HOLD | 1 | 5,425 | 5,425 |
| LHH/OPS | SKILLET, TILTING | 3 | 6,510 | 19,530 |
| LHH/OPS | EVACUATION CHAIRS | 4 | 1,500 | 6,000 |
| LHH/OPS | RADIO, MOTOROLA 2-WAY | 1 | 6,500 | 6,500 |
| LHH/OPS | CARTS, LINEN DISTRIBUTION | 15 | 500 | 7,500 |
| LHH/OPS | UNIT, BATTERY CHARGER | 1 | 5,000 | 5,000 |
| LHH/OPS | TRACK SYSTEM, DRAPERY | 8 | 6,000 | 48,000 |
| LHH/OPS | WASHER, PRESSURE | 2 | 1,800 | 3,600 |
| LHH/OPS | VACUUM, WET/DRY | 1 | 1,800 | 1,800 |
| LHH/OPS | FLOOR, BURNISHER, AUTO | 1 | 3,000 | 3,000 |
| LHH/OPS | CHIPPER/SHREDDER | 1 | 5,600 | 5,600 |
| LHH/OPS | VEHICLE, UTILITY | 2 | 8,500 | 17,000 |
| LHH/OPS | CARTS, TOWING | 12 | 2,700 | 32,400 |
| POLICE | BULLET TRAP | 1 | 8,100 | 8,100 |
| POLICE | HAZARDOUS MATERIAL TRAP | 1 | 1,800 | 1,800 |
| POLICE | PA SYSTEM | 1 | 1,100 | 1,100 |
| POLICE | COMPUTER & PRINTER | 1 | 2,300 | 2,300 |
| POLICE | VCR & TV MONITOR | 1 | 2,000 | 2,000 |
| POLICE | SCANTRON | 1 | 2,200 | 2,200 |
| SFGH | SPECTRA RADIOS | 7 | 2,035 | 14,245 |
| SFGH | TAPE CABINETS | 1 | 4,000 | 4,000 |
| SFGH | ELECTROCARDIOGRAPH | 10 | 6,441 | 64,410 |
| SFGH | BEDSIDE MONITOR MODULES | 6 | 2,770 | 16,620 |
| SFGH | GURNEYS | 13 | 2,732 | 35,520 |
| Total | | 247 | 244,088 | 721,330 |

Item 3 - File 190-93-1

**Item:** Hearing to consider legislation authorizing the Department of Parking and Traffic to take all necessary steps to replace damaged and/or defective parking meter equipment.

**Comments:**

1. The Department of Parking and Traffic reports that, in the recent past, the City's parking meters have increasingly been vandalized and the coin boxes burglarized.

Ms. Kathyrn Hile of the Department of Parking and Traffic (DPT) reports that the City owns two types of parking meters: approximately 16,000 "P.O.M." meters and approximately 5,000 "Duncan" meters. In 1992, a new technique was apparently discovered to burglarize the P.O.M. meters, resulting in a significant loss of parking meter and parking citation revenues. DPT has estimated that the damage to the City's P.O.M. parking meters resulted in lost revenues to the City of approximately $1,007,000 in meter revenues and $982,000 in citation revenues, or a total of $1,989,000, between July 1, 1992 and December 31, 1992.

2. Ms. Hile indicates that DPT expects to replace the P.O.M. meters by the end of February, 1993, at an estimated cost of approximately $1.2 million. The new P.O.M. meters have already been purchased using lease purchase revenue bonds issued in 1992. Ms. Hile states that the new P.O.M. meters cannot be vandalized due to their superior technology (the P.O.M. meters which were vandalized were 12-15 years old).

3. Ms. Hile states that, in the last two to three weeks, DPT has observed that the Duncan meters are also being vandalized, by having the domes removed from the meters, apparently in response to the inaccessibility of the new P.O.M. meters. Ms. Hile states that the Duncan meters' coin boxes cannot be accessed by removing the heads of the meters, indicating that the recent damage has resulted only from vandalism, rather than theft. However, the Duncan meters cannot accept coins in this condition and the City is unable to enforce expired meter violations at these meters.

4. Ms. Hile indicates that the revenue losses to the City resulting from the recent vandalism of the Duncan meters cannot be estimated at this time, since the damage has begun only recently.

5. DPT wishes to purchase 3,600 new heads for the Duncan meters, at an estimated cost of $182 each, and 1,800 internal mechanisms ("expired" flags, etc.) at a unit cost of

approximately $100 each, for total estimated cost to replace and secure the Duncan meters of approximately $835,200. However, DPT does not have funds available to pay these costs, and has therefore requested that the new parking meters be included in the equipment which the City will lease-purchase in 1992-93 (see Comment 6).

6. The Budget Committee is currently considering a proposed ordinance (Item 2 of this report, File 170-93-1) which would authorize the issuance of lease revenue bonds for the purchase of equipment by the San Francisco Finance Corporation on behalf of the City. At the Budget Committee meeting of January 20, 1993, a proposal was made to include the parking meter equipment proposed by DPT in the equipment purchases which would be made with the proposed lease revenue bonds.

If the proposed parking meter equipment is not included in the equipment to be purchased by the San Francisco Finance Corporation, a supplemental appropriation would be required in order to replace the parking meters.

Items 4 and 5 - Files 102-92-13 and 101-92-31

**Note:** These items were continued at the January 20, 1993 Budget Committee Meeting.

**Department:** Mayor's Office of Children Youth and their Families (MOCYF)

**Items:** Ordinance (Item 4, File 102-92-13) to amend the 1992-93 Annual Salary Ordinance to reflect the addition of five positions.

Supplemental Appropriation Ordinance (Item 5, File 101-92-31) to fund the five new positions.

**Amount:** $70,804

**Source of Funds:** Children's Fund for Fiscal Year 1992-93

**Description:** The proposed ordinance (File 102-92-13) to amend 1992-93 Annual Salary Ordinance would create five new permanent positions as follows:

| No. | Classification | Biweekly Salary Range | Maximum Annual Salary at Top Step |
|---|---|---|---|
| 1 | 9786 Assistant to Mayor III | $1,826-1,916 | $50,008 |
| 1 | 9782 Assistant to Mayor I | 1,490-1,564 | 40,820 |
| 1 | 9740 Staff Assist. IV, Spec. Pjt. | 1,682-1,682 | 43,900 |
| 1 | 1632 Sr. Account Clerk | 1,136-1,375 | 35,888 |
| 1 | 1422 Jr. Clerk Typist | 866-1,047 | 27,327 |
| | Total | | $197,943 |

The proposed supplemental appropriation ordinance (File 101-92-31) would fund the proposed five new positions for nine biweekly payperiods from February 25, through June 30, 1993 at Step one (all new positions) plus fringe benefits as follows:

| | |
|---|---|
| Permanent Salaries - Misc. | $63,000 |
| Mandatory Fringe Benefits* | 7,804 |
| Total | $70,804 |

*Mandatory Fringe Benefits exclude Health Insurance which will not begin until August, 1993 in FY 1993-94 and Retirement for the Asst. to Mayor classifications that are not eligible for Retirement benefits.

The proposed source of funds is the Children's Fund including $24,062 in unappropriated revenue of the Children's Fund and $46,742 previously appropriated for Other Contractual Services and designated for administration of the Children's Fund.

Proposition J, commonly known as the "Children's Amendment", that was approved by the electorate in November, 1991, amended Section 6.415 of the Charter to require the establishment of the San Francisco Children's Fund. The San Francisco Children's Fund augments the fiscal year 1990-91 or 1991-92 (whichever was greater) level of expenditures for services and programs for children by requiring that the City set aside a certain percentage of property tax revenues in the Children's Fund to fund additional services for children.

The Children's Fund for Fiscal Year 1992-93 is approximately $5.7 million. The 1992-93 Children's Fund included $3,275,126 for contractual services for the purchase of children's services from community based organization contractors. As a result of a Request for Proposal process, the MOCYF reviewed 170 Statement of Intents and 124 Final Proposals in order to select 40 community based organization contractors. These activities were performed with a staff of 11 plus an ad-hoc (volunteer) advisory panel of 45 members. Drawing up the contracts, continuing monitoring of the contracts and processing payments to the contractors must be performed solely by MOCYF staff. The contracts were scheduled to begin on January 1, 1993. Some of the contracts and some agreements with other City departments have been finalized but most of the contracts and agreements are still being negotiated. MOCYF indicates that the existing staff is working overtime to finalize the remaining contracts and agreements but is counting on the proposed new staff to assist in finalizing the contracts and agreements, as well as establishing the monitoring, reporting and reimbursement systems for all of the contracts and agreements.

The Controller's Office estimates that the ad valorem tax revenue for the Fiscal Year 1993-94 Children's Fund will be approximately $13.2 million. The Children's Services Plan for 1993-94 allocates $7,288,524 of this $13.2 million for contractual services. Thus, the total MOCYF budget and the allocation for contractual services for 1993-94 are more than double the 1992-93 funding level ($13.2 for 1993-94 versus $5.7 for 1992-93 and $7,288,524 versus $3,275,126).

The MOCYF currently has a total City funded staff of ten (one position is funded through the Mayor's Office and the other nine are funded by the Children's Fund). Six of the existing City funded staff are permanent positions including the Director (9792-Asst. to Mayor VI), a Deputy Director (9790-Asst. to Mayor V), two Grant Coordinators (9786-Asst. to Mayor III), a Child Care Coordinator (9784-Asst. to Mayor II) and a Secretary (1446-Secretary II). Four of the existing City funded positions are full time temporary positions. The MOCYF also has some grant funded positions and unpaid volunteers and interns.

Three of the four City funded temporary positions would become permanent positions if the proposed five new positions are approved resulting in a total staff of 12 positions (10 existing permanent positions plus five new permanent positions less three of the old temporary positions that would become three of the new permanent positions).

The proposed five new position functional titles and duties and responsibilities are as follows:

Grant Fiscal Coordinator (9786 Assistant to Mayor III)
This position will be responsible for developing financial reporting systems to disburse Children's Fund monies, for the financial monitoring and implementation of financial systems for all Children's Fund grant (contract) activities including those administered by other City departments that are funded by the Children's Fund, as well as community based organizations.

Planning Coordinator (9782 Assistant to Mayor I)
The Planning Coordinator is responsible for developing the annual Children's Services Plan (CSP) that identifies the goals and priorities for the Children's Fund, conducting the initial stages of implementing the annual CSP including developing the Request for Proposals, coordination with other City departments that will be implementing CSP activities and will assist in the development and implementation of a long range Strategic Plan for Children's Services.

Special Projects Coordinator (9740 Staff Assist. IV, Spec. Pit.)
The Special Projects Coordinator's primary responsibility is the coordination and/or implementation of special projects related to the Children's Fund. Additionally, the Special Projects Coordinator will assist the Department Director with issues related to the administration and implementation of special projects, planning and policy issues.

Department Accountant (1632 Sr. Account Clerk)
This position is responsible for reviewing and processing invoices for payment from grantees, for completing other internal accounting forms, maintaining financial records, establishing and maintaining cash internal controls and liaison with other City departments that provide children's services funded by the Children's Fund activities, regarding their financial operations.

Receptionist/General Office (1422 Jr. Clerk Typist)
The 1422 Jr. Clerk Typist is responsible for routine clerical and office work including answering phones, typing letters, forms and notices and other general office clerical duties.

**Comment:** These items were continued by the Budget Committee in order to consider alternative means of staffing the MOCYF such as transferring positions from other City departments that provide baseline children's services to the MOCYF. The Mayor's Office reports that, budgets and staff of other baseline children's services departments will be examined and analyzed to determine if some administrative positions can be transferred to MOCYF. The Mayor's Office indicates that their examination and analysis has not been completed as of the writing of this report. The Mayor's Office will report their findings at the January 27, 1993 Budget Committee Meeting.

**Recommendation:** Approval of the proposed ordinances is a policy matter for the Board of Supervisors.

Item 6 - File 101-92-23

**Note**: This item was rereferred to the Budget Committee.

**Department:** San Francisco General Hospital (SFGH)

**Item:** Supplemental appropriation ordinance appropriating $1.4 million for two capital improvement projects to renovate Wards 14 and 15 (the SFGH Business Office) and the Emergency Room/Outpatient Registration areas.

**Amount:** $1.4 million

**Source of Funds:** SFGH Capital Reserve

**Description:** The Mayor's budget for FY 1992-93 included $160,000 for planning of an SFGH capital project to renovate Wards 14 and 15 at SFGH. SFGH had estimated that the total capital project would cost an estimated $1.6 million. Subsequently, in approving the City's budget for FY 1992-93, the Board of Supervisors funded $1.4 million for this project as a General Fund Reserve, subject to future appropriation by supplemental appropriation ordinance.

The proposed supplemental appropriation would provide funding for the renovation of the Business Offices in order to increase staff efficiency and productivity by improving space utilization. The Business Offices include Patient Accounting (Billing, Credit and Collections), Accounts Receivable, Inpatient Eligibility, Department of Social Services Eligibility Workers, Revenue Enhancement Units, General Accounting and Payroll. The areas occupied by these Business Offices were formerly hospital wards and still contain fixtures such as dishwasher, steel kitchen cabinets, bathtubs, and shower stalls. Proposed renovations include the installation of new lighting fixtures, computer and telephone cable conduits, handicapped access to restrooms and public areas and two cashier windows in the Ward 24 patient billing area (currently patients must walk across the street to another building to pay their bills). The proposed renovations would also double the space occupied by the Department of Social Services Eligibility Workers that process applications for Medi-Cal.

The proposed supplemental appropriation would provide funding for the renovation of the outpatient and emergency - registration and admitting areas to expand the capacity to register, admit patients and perform financial interviews and assist with eligibility. The registration unit interviews

and registers an average of over 800 out-patients daily and admits an average of over 50 patients to the inpatient units daily. The registration and eligibility workers currently perform their duties in areas that were designed to provide security but do not provide privacy for confidential interviews of patients and completion of Medi-Cal applications. The proposed renovation project would change the design of the registration area to provide greater confidentiality for financial interviews. According to SFGH, these improvements will result in increases in hospital revenues by increasing the number of patients eligible for Medi-Cal, increasing the ability to identify Medicare and other paying patients in the emergency room and improving the Medi-Cal eligibility efforts in the outpatient clinics. The SFGH estimates of increased revenues totalling $2.9 million for FY 1992-93 ($1,476,000 from renovation to the Business Office and $1,400,000 from renovations to outpatient and emergency - registration and admitting areas) is attached (Attachment 1).

However, the Budget Analyst concludes that the relationship between the physical renovations of the proposed capital improvement projects and any improved efficiencies which may result in increased revenues to the City cannot be precisely determined at this time. Therefore, the Budget Analyst cannot confirm that the SFGH increased revenue estimates will be achieved.

The SFGH's preliminary cost estimate for these renovation projects is attached (Attachment 2).

**Comments:**

1. SFGH reports that determinations have not yet been made as to what portions of the construction work will be performed by SFGH maintenance staff and what portions will be contracted. Therefore, $643,500 for construction work to the Business Offices (including $505,000 for Open Office Area Ward 14/15, $16,000 for moving cost, $13,500 for Interim DSS Unit/Ward 82, $19,000 for asbestos work and $90,000 for project contingencies) and $496,500 for construction work to the outpatient registration, emergency room waiting and admitting areas (including $215,000 for the emergency room, $216,500 for outpatient registration and admitting areas and $65,000 for project contingencies) should be reserved pending determinations regarding use of maintenance staff or outside contractors, and if outside contractors are to be used, selection of the contractors and their MBE/WBE status.

2. The Capital Improvement Advisory Committee (CIAC) has not endorsed the proposed capital improvement projects but also does not reject these projects. According to the CIAC's

report on the proposed capital project, "the CIAC does not object to the passage of the supplemental appropriation. We would reiterate, however, that there are a multiplicity of projects of higher priority from a Citywide point of view which we would prefer to have been funded."

3. In that connection, the CAO has provided the attached memorandum (Attachment 3) showing the projects which the CIAC believe take precedence over the proposed projects to renovate Wards 14 and 15. According to the CIAC, almost all projects recommended for funding by the CIAC were in Priority 1, Minor repairs and routine facilities maintenance projects, in contrast to the proposed SFGH capital improvements which the CIAC rated as Priority 10, Improvement of existing building interiors.

**Recommendations:** 1. Amend the proposed supplemental appropriation ordinance to reserve a total of $1,140,000 for construction ($643,500 for construction work to the Business Offices and $496,500 for construction work to the outpatient registration, emergency room waiting and admitting areas) pending determinations as to what portions of the construction work will be performed by SFGH maintenance staff and what portions will be contracted and if outside contractors are to be used, selection of the contractors and their MBE/WBE status.

2. Approval the proposed supplemental appropriation ordinance as amended is a policy matter for the Board of Supervisors.

# ON SITE DSS MEDI-CAL UNIT EXPANSION AND BUSINESS OFFICE RENOVATION

| REVENUE | COSTS | CONTRIBUTION |
|---|---|---|
| $1,476,000. | $ 900,000. | $ 576,000. |

1. The Revenue is derived by consolidating the on-site DSS Medi-Cal unit with the Hospital's Inpatient Eligibility Unit and support staff on Ward 15 in space currently occupied by Payroll Department. Additional operating efficiencies will be achieved by remodeling the old patient ward "14" occupied by the Billing Department and must be done to accommodate the Payroll Department being dislocated by DSS. No physical improvement or maintenance has been done on these wards since patients were moved out in 1971.

2. Effectively, this will improve current Inpatient Medi-Cal application denial rate by 25%. We know that a minimum of 25% of the Medi-Cal applications taken become problems due to what we term "administrative errors". By consolidating the workers, providing them with additional clerical support already available on Ward 15 and being actively involved in the case processing (eg. getting medical records on the Disability Applications in a timely manner) we can achieve this goal. The calculation is as follows:

   960 denials per year, reduced by 25% = 240 approved cases

   240 cases x ALOS 6 days x $825.00 per day = $1,188,000

   Adjust for TAR denials = <$297,000>

   ** Net collection potential is $891,000.

3. Improvements in the Billing Department will facilitate the TAR and Claims processing which will, conservatively, achieve an additional $700.00 per billed/paid Medi-Cal day for our Disproportionate Share allowance. This brings the net contribution up by over $585,000. For a total net collection contribution of $1,476,000.

4. Costs are <u>ONE TIME</u> physical space reconfiguration, wiring for computers and computer equipment.

5. Space is available by relocating Payroll to the Billing Department on Ward 14. Partitioned office system installation could be accomplished in 2 or 3 months.

6. Net contribution is annual and conservative. Benefit returns will increase every year.

7. An additional $500,000 in salary transfers to the State has been realized by the transfer of 10 hospital Eligibility Workers to the DSS payroll in 1992.

## EMERGENCY - OUTPATIENT -BUSINESS OFFICE FINANCIAL COUNSELLING RENOVATION AND IMPROVEMENT PROJECT (EOBO PROJECT)

| REVENUE | COSTS | CONTRIBUTION |
|---|---|---|
| $1,400,000. | $700,000. | $700,000. |

- Revenue is derived from and based upon analysis of Revenue Reports and research performed well after the fact of registration to determine that opportunities are missed at the time the patient is available, but staff was unable to interview because of lack of appropriate space and facilities.

  1. Increased Medi-Cal Eligibility in the ER from 10% to 15% = net collections of $465,000.
  2. Increased identification of Medicare patients in the ER from 9% to 15% = net collections of $110,000.
  3. Increased identifications of insurance and workers comp in the ER for 4% to 8% = net collections of $320,000.
  4. Increase Outpatient Clinic Medi-Cal Eligibility for 29% to 35% = net collections of $475,000.
  5. Improved Financial Counselling and additional Cashier's Office in the Business Office will improve "Bad Check" recovery to recover a minimum of $30,000. and facilitate patient payment handling.
  6. Totals for all programs are conservatively estimated at $1,400,000. in net collections.

- Costs include:
  1. Complete renovation of the Outpatient and Emergency Department Registration areas to allow for confidential patient interviews.
  2. Minor remodeling for the new cashier's office in Business Office on Ward 24.

- These are **ONE TIME** expenditures. Annual contributions will grow as programs evolve.

SAN FRANCISCO GENERAL HOSPITAL
BUSINESS OFFICE/DSS

| | | |
|---|---|---|
| DESIGN/PROJECT MANAGEMENT | | |
| Design 15% | | $135,000 |
| Construction Inspection/Admin. 4% | | $36,000 |
| SFGH Project Management/Contract 8% | | $72,000 |
| Permit 1.5% | | $13,500 |
| | Subtotal: | $255,500 |
| CONSTRUCTION COST ESTIMATE | | |
| Open Office Area Ward 14/15: | | |
| Electrical & Lighting | | $60,000 |
| Computer Cable | | $20,000 |
| Sheet Vinyl Flooring/Carpet | | $50,000 |
| Painting | | $50,000 |
| Demolition & Patch | | $15,000 |
| Modular Work Stations | | $210,000 |
| Handicap-Accessible Toilets | | $100,000 |
| | Subtotal: | $505,000 |
| Moving Cost: | Subtotal: | $16,000 |
| Interim DSS Unit/Ward 82: | | |
| Computer Connections | | $3,500 |
| Workstations | | $10,000 |
| | Subtotal: | $13,500 |
| Asbestos | | |
| Abatement | | $15,000 |
| Industrial Hygienist | | $4,000 |
| | Subtotal: | $19,000 |
| TOTAL PROJECT COST | | $810,000 |
| PROJECT CONTINGENCY | | $90,000 |
| | TOTAL: | $900,000 |

SAN FRANCISCO GENERAL HOSPITAL
EMERGENCY ROOM/OUTPATIENT REGISTRATION

| | | |
|---|---|---|
| DESIGN/PROJECT MANAGEMENT | | |
| Design 15% | | $105,000 |
| Contruction Inspeciton/Admin 4% | | $28,000 |
| SFGH Project Managment/Contract | | $60,000 |
| Permit 1.5% | | $10,500 |
| | Subtotal: | $203,500 |
| CONSTRUCTION COST ESTIMATE | | |
| Emergeny Room | | |
| Gyp. Bd. Walls | | $27,000 |
| Acoustical Ceiling | | $10,000 |
| Painting | | $15,000 |
| -- Demolition & Patch | | $7,000 |
| Vinyl Flooring | | $9,000 |
| Fire Shutters | | $10,000 |
| Mechanical | | $20,000 |
| Lighting | | $7,000 |
| Electrical | | $12,000 |
| Communications Cabling | | $6,000 |
| Handicap-Accessible Toilets | | $43,000 |
| Work Surfaces/Casework | | $49,000 |
| | Subtotal: | $215,000 |
| OPD Registration and Admitting | | |
| Gyp. Bd. Walls | | $15,000 |
| Acoustical Ceiling | | $6,000 |
| Painting | | $7,000 |
| Demolition & Patch | | $7,000 |
| Vinyl Flooring | | $11,000 |
| Fire Shutters | | $15,000 |
| Mechanical | | $18,000 |
| Lighting | | $12,000 |
| Electrical | | $10,000 |
| Communications Cabling | | $7,000 |
| Handicap-Accessible Toilets | | $48,500 |
| Work Surfaces/Casework | | $60,000 |
| | Subtotal: | $216,500 |
| TOTAL PROJECT COST | | $635,000 |
| PROJECT CONTINGENCY | | $65,000 |
| | TOTAL: | $700,000 |

# CAPITAL IMPROVEMENT ADVISORY COMMITTEE

Rudolf Nothenberg
Chief Administrative Officer and Chair
Capital Improvement Advisory Committee

Members
Raymond J. Baxter, Ph.D.
Director of Health
Lucian Blazej
Director of Planning
Mary Burns
General Manager of
Recreation & Park Department
John Cribbs
Director of Public Works
Anthony DeLucchi
Director of Property
Thomas J. Elzey
General Manager of
Public Utilities
Edward Harrington
Controller
Michael Huerta
Port Director
Louis A. Turpen
Director of Airports
Steve Nelson
Staff Director

M E M O R A N D U M

January 12, 1992

THROUGH: Rudolf Nothenberg, CIAC Chair

TO: Merlin Zimmerly, Budget Analyst's Office

FROM: Steve Nelson, CIAC Staff Director

SUBJECT: SF General Hospital Capital Projects

At yesterday's meeting of the Board of Supervisors, some questions were raised as to CIAC priorities for funding and how the projects requested by San Francisco General Hospital fell within those priorities. The purpose of this memo is to provide you with some background information related to those questions.

CIAC Recommendations Versus Board Approval

The CIAC's recommended level of funding is just that, a recommendation. The Mayor and the Board have the ability to add, change or delete funding for any projects which departments have requested or to add new projects which may not have been requested. In this particular case, the Finance Committee felt that the SF General Hospital projects were of a high enough priority to warrant funding. The Finance Committee could have simply added funding for these projects to the budget, something that is well within their rights to do. The CIAC would not have gotten involved, unless the Finance Committee requested information at the time. It is because the projects were included in a reserve account, and then submitted as a supplemental appropriation (required to appropriate a reserve account), that the CIAC letter to the Mayor, Board and Controller had to be drafted.

CIAC Priorities

The CIAC has established the following priorities for funding:

1 Minor repairs and routine facilities maintenance projects.



CIAC, Room 289, City Hall, San Francisco, CA 94102
Telephone (415) 554-4851

2 Health and safety projects.

3 Preservation of building exteriors.

4 Protection of property.

5 Preservation of electrical and mechanical systems which will result in future cost avoidance.

6 Preservation of interiors resulting in future cost avoidance.

7 Rehabilitation of mechanical and electrical systems.

8 Rehabilitation of architectural and structural components.

9 Improvement of existing facilities, with the exception of interior improvements.

10 Improvement of existing building interiors.

11 Construction of new facilities.

In the 1992-93 budget process, the CIAC recommended projects almost exclusively in priority 1. The projects which were recommended outside of this priority were:

Priority 2 Underground storage tank replacement and asbestos abatement. Projects in these areas were recommended for funding due to upcoming legal requirements (underground tanks) and existing serious hazards (asbestos abatement).

Priority 10 Disabled access surveys and modifications to correct deficiencies. These projects were funded to allow the City to begin to come into compliance with requirements of the ADA.

Thus, as you can see, only basic maintenance projects were recommended by the CIAC, with the exception of the special needs noted above, all of which have legal deadlines pending.

The Mayor's Office modified these recommendations slightly, reducing the amount recommended for SF General Hospital Maintenance and instead providing "seed money" for three projects at the Hospital, all of which were priority 10 projects.

The projects in question, funded in a reserve account by the Finance Committee, were also given a priority rating of 10 by the CIAC, indicating the projects were for improvement of interiors of existing facilities. This was done absent any indication of the revenue impacts of the projects. However, given the CIAC's mission, it is unlikely the revenue impacts would have resulted in a much higher priority.

Should you require any additional information on this subject, please feel free to contact me at 554-6171.

Item 7 - File 161-92-5.1

**Note:** This item was rereferred to the Budget Committee at the January 19, 1993 Board of Supervisors Meeting.

**Department:** San Francisco Redevelopment Agency (SFRA)

**Item:** Resolution approving an amendment to the Redevelopment Agency's FY 1992-93 budget.

**Description:** The proposed resolution would allocate $30,000 from a recent bond transaction fee paid to the SFRA to fund a personal services contract with a consultant to provide bilingual technical services to nonprofit organizations and 24th Street merchants as part of the 24th Street Revitalization Project.

Mr. Bob Gamble of the SFRA reports that the SFRA recently received $81,000 from the Webster Tower and Terrace bond transaction. $51,000 represents fees past due and $30,000 represents new fees. The proposed resolution would approve an amendment to the SFRA's budget to appropriate $30,000 of these revenues. The remaining $51,000 has not yet been targeted for a specific purpose.

**Comment:** 1. The SFRA advises that the 24th Street Revitalization Committee selected Ms. Rosa Rivera, Chair of the 24th Street Physical Improvement and Preservation Subcommittee, as the consultant to provide bilingual technical services to nonprofit organizations and 24th Street merchants as part of the 24th Street Revitalization Project. The SFRA advises that Ms. Rivera would be supervised by Ricardo Noguera, Planning Coordinator of Mission Economic Development Association. Monthly invoices to the SFRA would require Ms. Rivera to itemize all community meetings, merchant consultations and loan packages. The proposed contract of $30,000 would be based on an hourly rate of $24.72 and would expire after seven months.

2. Mr. David Madway, SFRA General Counsel has reviewed Ms. Rivera's position as Chair of the 24th Street Physical Improvement and Preservation Subcommittee and the subject request to contract her services to provide technical assistance to nonprofit organizations and 24th Street merchants participating in the 24th Street Revitalization Project. Mr. Madway advises that it is his opinion that there would be no conflict of interest between Ms. Rivera's paid consulting position and her committee work related to the 24th Street Revitalization Project.

3. Although the contract is with the SFRA, the method of payment stipulates that the consultant be directed by and work for the 24th Street Revitalization Committee to perform seven tasks as referred to in the contract as the scope of services (see Attachment). Most of these services deal with liaison and coordination of activities which are generally performed by committees on a volunteer basis. For example, the Citizens Committee on Community Development spends each year countless hours as volunteers reviewing proposed projects to be included in the Mayor's Community Development Program.

4. The scope of services, however, does identify two items that result in actual products. The second listed service activity identifies the packaging of five loans but only includes the consultant as assisting the Mission Economic Development Association with translation services to complete the loan packaging. The fifth listed service activity provides for a final draft of a strategic plan for both short- and long-term planning programs and projects for the revitalization of 24th Street to be completed no later than June 15, 1993.

5. Because the scope of services identifies both a combination of tasks that should be divided between the actual need to hire an outside consultant and the duties and responsibilities normally undertaken by volunteer committees, the SFRA should reevaluate the contract scope of services and revise such services to include technical services as needed and exclude coordination activities normally undertaken by volunteer committees such as established for the 24th Street Revitalization Project. Under these circumstances the Budget Committee should continue this item until the SFRA reevaluates the proposed contract scope of services.

**Recommendation:** Continue the proposed resolution until the San Francisco Redevelopment Agency:

1. Explains why the consultant was selected by and is working for the 24th Street Revitalization Committee even though the contract is between the San Francisco Redevelopment Agency and the consultant; and

2. Submits a revised contract for consultant services that excludes those services normally performed by volunteer organizations.

Attachment

# Consultant Contract
# Attachment A

## SCOPE OF SERVICES

Consultant hereby agrees to work for the 24th Street Revitalization Committee for the seven-month period, January through July, 1993. Consultant will perform the following activities under the direction of the 24th Street Revitalization Committee and the Mission Economic Development Planning Coordinator:

1. Serve as liaison to the San Francisco Redevelopment Agency and the Mayor's Office of Economic Planning and Development for the 24th Street Revitalization Committee and the 24th Street Merchants Association. Forwards all correspondence from the Redevelopment Agency (&/or the Mayor's Office) to the Revitalization Committee and 24th Street Merchants.

2. Coordinate the implementation of the 24th Street Small Business Loan Program in cooperation with the Financial Analyst, Mission Economic Development Association, as well as the Redevelopment Agency and the Mayor's Office of Economic Planning and Development. A total of at least five (5) loans will be packaged for this loan program during the term of this contract.

3. Coordinate the implementation of the Community Development Investment Fund (property acquisition program) with organizations interested in submitting proposals to the Redevelopment Agency for funding. Provide technical assistance, as needed, to nonprofit applicants to the CDIF.

4. Coordinate the implementation of the 24th Street Public Improvements Project with the Chair of the Revitalization Committee's Physical Improvements and Preservation Subcommittee in order to ensure that construction starts no later than March, 1993.

5. Prepare a strategic plan for both short- and long-term planning programs and projects for the revitalization of 24th Street. Submit the first draft of the strategic plan no later than April 1, 1993, and the final draft no later than June 15, 1993.

6. Work with the Mission Economic and Cultural Association to coordinate marketing and promotion of 24th Street.

7. Other dutles as assigned by the 24th Street Revitalization Committee, including grant writing and fundraising for short- and long-term programs for the revitalization of 24th Street.

It is anticipated tht this Scope of Services will require a minimum of 32 hrs/week. Work must be documented on a monthly invoice, and signed-off by the Chair of the Revitalization Committee prior to submission to the Agency for payment (see Attachment B).

Accepted by: _____ Date: _____

FROM:SFRA 3RD FLOOR TO: 415 252 0461 JAN 21. 1993 3:37PM #700 P.05

Item 8 - File 101-92-30

**Department:** Public Defender

**Item:** Supplemental appropriation ordinance for permanent salaries and related mandatory fringe benefits.

**Amount:** $220,000

**Source of Funds:** General Fund General Reserve

**Description:** The Public Defender is advising that a current increase in the Department's felony caseload is surpassing that which had been anticipated when the FY 1992-93 budget was prepared. As reported by the Public Defender in November 1992, each felony attorney has been assigned up to 45 cases, and the number of new felony arraignments in the Municipal Court has averaged 540 cases per month during September and October 1992. Since the Public Defender has 30 attorneys assigned to felony cases, an average of 18 new felony cases per month are assigned to each felony attorney which requires the existing caseload to remain at or exceed 45 cases per felony attorney.

According to the Public Defender, a caseload averaging 45 cases per felony attorney (last year each felony attorney carried an average of 38 felony cases) exceeds the ethical limits allowed under the Canons of Professional Ethics of both the American Bar Association and the State Bar of California. However, Mr. Randall Difantorum an attorney with the State Bar of California advised the Budget Analyst that there is no specific caseload that determines an ethical limit. Mr. Difantorum stated that under Section 3-110 of the State Bar Rules of Professional Conduct, the responsible attorney must decide whether or not the number of cases assigned would result in the failure to act competently and with reasonable diligence. In addition, Ms. Linda Linnell of the American Bar Association's Criminal Justice Section advised the Budget Analyst that the American Bar Association has established no specific caseload limit that would determine an ethical limit.

The Public Defender advises that a 45 felony caseload makes it impossible for his attorneys to provide effective assistance to indigent defendants as is required by the Sixth Amendment to the United States Constitution. Under these circumstances, the Public Defender advised the Presiding Judge of the Municipal Court in mid-October that the Public

Defender could not continue to administer all of the newly assigned felony cases.

In response, the Presiding Judge of the Municipal Court declared that 20 felony cases per week would be assigned to private attorneys, the cost of which would be shared by the Municipal and Superior Courts for conflict attorneys (see Comment 3). (Conflict attorneys are outside attorneys hired by the Courts for felony cases having multiple defendants of which the Public Defender may represent only one of the defendants).

The Public Defender reports that if unpaid leaves for four attorneys and a proposed four day furlough for 58 attorneys were eliminated, the savings of which totals $220,000, the existing and projected number of felony cases including the 20 cases per week being assigned to private attorneys could be absorbed by his Office during the current fiscal year.

The Public Defender has provided the following budget of the proposed supplemental appropriation which covers the requested amount of $220,000 for additional Permanent Salary monies for the period from February 15, 1992 through June 30, 1992:

| | | | | |
|---|---|---|---|---|
| **Provide Funds for Four Attorneys Who Are Presently required to be on Unpaid Leave In Order to Balance the Public Defender's Budget:** | | | | |
| 1 | 8182 | Head Attorney ($8,796 per month x 4.5 months) | $39,582 | |
| 1 | 8180 | Principal Attorney ($8,178 per month x 4.5 months) | 36,801 | |
| 1 | 8178 | Senior Attorney ($6,727 per month x 3 months) | 20,181 | |
| 1 | 8176 | Trial Attorney ($5,670 per month x 3 months) | 17,010 | |
| | | Subtotal | | $113,574 |
| **Provide Full Funding for 58 Positions Which Are Presently Required to Take a 4-day Furlough During 1992-93 in Order to Balance the Public Defender's Budget:** | | | | |
| 1 | 8196 | Public Defender ($472.50 per day x 4 days) | $ 1,890 | |
| 1 | 8193 | Chief Attorney I ($450.00 per day x 4 days) | 1,800 | |
| 9 | 8174 | Attorney (9 x $219.90 per day x 4 days) | 7,916 | |
| 14 | 8176 | Trial Attorney (14 x $260.70 x 4 days) | 14,599 | |
| 13 | 8178 | Senior Attorney (13 x $309.30 x 4 days) | 16,084 | |
| 13 | 8180 | Principal Attorney (13 x $376.00 x 4 days) | 19,552 | |
| 7 | 8182 | Head Attorney (7 x $404.40 x 4 days) | 11,323 | |
| | | Subtotal | | 73,164 |
| Mandatory Fringe Benefits | | | | 47,169 |
| Less Other Savings from the Public Defender's 1992-93 Budget | | | | (13,907) |
| | | Total | | $220,000 |

**Comments:**

1. Based on an October, 1992 report of the Budget Analyst entitled "Analysis of Conflict-of-Interest Cases for the Representation of Indigent Clients", the average cost per case for outside attorneys is $881. In comparison, Mr. Peter Keane of the Office of the Public Defender advises that the average cost per felony case administered by the Public Defender is $330 which is based on actual felony cases administered by his Department over the last three years. Thus, the per case savings of using Public Defender attorneys to defend felony cases is $551 ($881 less $330) per case.

2. A comparison of the current and projected costs of the Public Defender with outside attorneys hired by the Municipal and Superior to administer 20 felony cases per week for the 19-week period from mid-October 1992 through February 1993 is as follows:

| | Average Cost Per Case | No. of New Cases Per Week | Number of Weeks | Total Cost |
|---|---|---|---|---|
| Outside Attorneys | $881 | 20 | 19 | $334,780 |
| Public Defender | 330 | 20 | 19 | 125,400 |
| Difference | $551 | | | $209,380 |

3. As previously noted, the estimated cost ($334,780) to retain outside attorneys would be paid by the Municipal and Superior Court in order to reimburse conflict attorneys. According to Mr. Mr. Gordon Park-Li of the Municipal Court and Ms. Kate Harrison of the Superior Court, a supplemental appropriation will be submitted to the Board of Supervisors to fund such increased costs of retaining outside attorneys.

4. The Sheriff advises that the additional funds needed by the Public Defender cannot be financed from monies previously set aside in the General Fund Litigation Reserve and recently appropriated to the Sheriff for additional staff and programs to alleviate jail overcrowding (Files 101-92-17, 101-92-19 and 102-92-9). The Sheriff believes that the U. S. Court-appointed Special Master would not consider the use of such funds to be eligible to relieve the caseload limitations in the Office of the Public Defender. If such funds were eligible, then the subject General Fund request of the Public Defender might instead be financed from that portion of the General Fund Litigation Reserve monies previously appropriated to the Sheriff to alleviate jail overcrowding, if the work to be accomplished by the Public Defender would result in some reduced costs to the Sheriff.

5. According to the Public Defender, the subject appropriation request for $220,000 would provide sufficient additional felony attorney staff time to eliminate the need for the County to retain private, outside attorneys during the 19-week period from mid-February through June 1993. Based on the costs of the prior 19-week period (see Comment No. 2), it is estimated that the cost of outside attorneys for this requested 19-week period would also be $334,780 or an estimated $114,780 greater than the proposed request of $220,000.

**Recommendation:** Approve the proposed supplemental appropriation ordinance. The Budget Committee may wish to inquire as to the potential use of funding sources other than the General Fund General Reserve.

Items 9 and 10 - Files 101-92-26 and 102-92-11

**Note:** The proposed legislation concerns the reclassification of and funding for two positions in the Superior Court. However, the Superior and Municipal Courts are submitting an Amendment of the Whole that requests the reclassification of and funding for only one position in the Superior Court. The following report is based on the Amendment of the Whole.

**Department:** Superior and Municipal Courts

**Items:** Item 9 (File 101-92-26) is a supplemental appropriation ordinance to fund the increased salary of the proposed position reclassification.

Item 10 (File 102-92-11) is an ordinance to amend the Annual Salary Ordinance to reclassify one position in the Superior Court.

**Amount:** $4,656

**Source of Funds:** Reappropriation of excess salary savings in the Superior Court Permanent Salaries account.

**Description:** The proposed ordinance (File 102-92-11) to amend the Annual Salary Ordinance would reclassify one Superior Court position as follows:

| Action | Classification | Biweekly Salary Range | Maximum Salary at Top Step |
|---|---|---|---|
| Delete | 0555 Executive Officer | $3,263-3,777 | $98,580 |
| Add | 0555 Chief Executive Officer | 3,653-4,229 | 110,377 |
| | Proposed Annual Salary Increase | | $11,797 |

The proposed supplemental appropriation ordinance (File 101-92-26) would reappropriate monies in the Superior Court's Permanent Salary account that represent salary savings in excess of the Superior Court's 1992-93 budgeted requirement for salary savings. The proposed supplemental appropriation ordinance would fund the $4,656 in increased salary of the reclassified position at the top step for 10.3 biweekly payperiods from February 8, through June 30, 1993. The Superior and Municipal Courts intend to fill this position at the top step.

Pursuant to the 1991 Trial Court Realignment Act, the Superior and Municipal Courts have been in the process of

reorganizing into one entity in accordance with the Coordination Plan submitted to the State in 1992. The Coordination Plan calls for establishing a Chief Executive Officer to oversee the reorganization of the two courts into one entity.

The Superior and Municipal Courts propose that the existing Executive Officer (department head) position of the Superior Court (that is currently filled on a temporary basis) be upgraded to Chief Executive Officer of the combined Superior and Municipal Courts. The proposed upgraded Chief Executive Officer would be responsible for both the previous duties of the Executive Officer of the Superior Court plus additional duties related to administering the combined Superior and Municipal Courts. The existing Clerk/Administrator (department head) position for the Municipal Court would not change.

The proposed reclassification would change the title of the Executive Officer of the Superior Court to the title of Chief Executive Officer. According to the Superior and Municipal Courts, the Chief Executive Officer position will entail a larger scope of responsibilities over the combined courts than the existing Executive Officer position that is only responsible for the administration of a single court and therefore, should be compensated at a higher salary rate. As previously stated, the annual salary of the Chief Executive Officer position would increase by $11,797 from $98,580 to $110,377 at the top step.

**Comments:**

1. The Presiding Judge of the Superior Court states that the proposed upgraded Chief Executive Officer position is critical to the coordination and combining of the Superior and Municipal Courts into one entity. According to the Presiding Judge, the Chief Executive Officer will be responsible for continuing the reorganization of the Superior and Municipal Courts in order to comply with the requirements of the 1991 Trial Court Realignment Act.

2. The Superior and Municipal Courts report that a candidate for the proposed 0555 Chief Executive Officer position has been selected and is expected to begin employment on February 8, 1993, subject to approval of this legislation by the Board of Supervisors.

3. The Superior and Municipal Courts have submitted the attached list of department heads' salaries for certain mid-size City departments. Employees of the Superior and Municipal Courts include 64 Judges and Court Commissioners plus 576 other employees for a total of 640 employees. According to the Attachment, although all of the other departments listed have

fewer employees than the combined total of employees of the Superior and Municipal Courts, the department heads in three of the other departments have salaries greater than the proposed salary level for the Chief Executive Officer position.

4. However, the fact remains that there will continue to be two department heads in the combined Superior and Municipal Courts. The Superior and Municipal Courts have already been reorganizing into one entity without this upgraded salary request. Therefore, the Budget Analyst concludes that this proposal to upgrade the salary of one of the department head positions is a policy matter for the Board of Supervisors since the Superior and Municipal Courts will continue to have two department heads.

**Recommendation**: Approval of the proposed ordinances to upgrade a department head position salary by $11,797 from $98,580 to $110,377 (at the top step) is a policy matter for the Board of Supervisors.

CITY AND COUNTY OF SAN FRANCISCO
DEPARTMENT HEAD SALARIES

| | DEPARTMENT | # OF EMPLOYEES | TITLE | SALARY RANGE |
|---|---|---|---|---|
| 1) | Water Department | 530 | Department General Manager and Chief Engineer | $94,068-114,32 |
| 2) | Sheriff's Department | 540 | Sheriff | 100,464-100,46 |
| 3) | Parking Authority | 483 | Director, Parking and Traffic Commission | 83,642-101,66 |
| 4) | Library | 340 | City Librarian | 84,838-103,11 |
| 5) | Purchasing | 207 | Director of Purchasing and Services | 83,642-101,66 |
| 6) | Port | 250 | Port Director | 106,132-128,98 |
| 7) | Community Mental Health | 614 | Deputy Director of Mental Health | 96,824-117,70 |

Item 11 File 28-92-11.1

**Department:** Airports Commission

**Item:** Resolution approving the Controller's action of increasing the Airports Commission project budget by $350,000 from $150,000 to $500,000 for Airport Contract No. 3200, emergency environmental services at Road 18 and Road 9, San Francisco International Airport.

**Amount:** $350,000

**Source of Funds:** Airport Capital Improvement Funds

**Description:** In October of 1992, the Board of Supervisors approved Resolution No. 879-92, File 28-92-11, approving a declaration of an emergency by the Airports Commission pertaining to an impending failure of the main telephone cables serving all of the terminals and the Federal Aviation Administration (FAA) Control Tower at the San Francisco Airport. The emergency was caused by gasoline seeping into the telephone cable duct and manhole at Road 18 and Road 9. The Airport advised that the telephone cables would have to be replaced to avoid a disruption of telephone service and that environmental clean up work would have to be performed to eliminate the seepage of gasoline into the affected area.

In accordance with Section 6.30 of the Administrative Code, the Airport used expedited contract procedures to obtain the services of Sierra Environmental Services to perform the necessary corrective work. As previously noted, under Resolution No. 879-92, the Board of Supervisors approved the Airport Commission's declaration of the emergency and the Controller's action in reserving $150,000 against Airport Capital Improvement Funds. The corrective work commenced on July 29, 1992.

In addition to gasoline, large quantities of jet fuel were found adjacent to the telephone manhole and duct bank. To protect the telephone technicians, who are Pacific Bell employees, from the jet fuel, the Airport reports that additional environmental services are necessary to investigate the extent of contamination and to design a larger remediation system than originally planned. Accordingly, the Controller has certified an additional $350,000 in Airport Capital Improvement Funds.

**Comments:**

1. At the time the Board of Supervisors approved Resolution No. 879-92, Mr. Reuben Halili of the Airport reported that the Airport was in the process of making a determination as to which airline tenant was responsible for the gasoline seepage so that the Airport could seek reimbursement for the cost of the repair work on the telephone cables and cost of the environmental services. Mr. Halili reports that the Airport is currently holding discussions with an Airport tenant concerning responsibility for the gasoline seepages. Mr. Halili further reports that the Airport is in the preliminary stages of determining responsibility for the jet fuel seepages.

2. Mr. Halili reports that the environmental work is scheduled to be completed by the end of February, 1993, and that repairs to the telephone cables are ongoing.

**Recommendation:** Approve the proposed resolution.

Item 12 - File 175-93-1

1. The proposed resolution would (a) declare the intent of the Board of Supervisors of the City and County of San Francisco to propose an increase in the transactions and use tax (i.e. Sales Tax) in the City and County pursuant to Chapter 3.5 of the Revenue and Taxation Code, and (b) establish the San Francisco County Public Finance Authority (Public Finance Authority).

2. The Sales Tax rate which can be imposed within the State of California can be allocated into three distinct components: the State of California rate, the Bradley-Burns uniform local rate, and the optional locally imposed transaction and use tax rate. The proposed resolution would declare the intent of the Board of Supervisors to increase the transactions and use tax rate specifically, which hereafter will be referred to as the Sales Tax.

3. AB 1930 is the bill which authorizes counties to increase the transactions and use component of the overall Sales Tax rate for the purpose of financing drug abuse prevention, crime prevention, health care services, and public education. AB 1930 provides the following:

- Counties may adopt a resolution by either or both a) a majority of the county Board of Supervisors, or b) by a majority of both the Board of Education of the San Francisco Unified School District and the Board of Governors of the Community College District, which declares an intent to propose an increase in the transactions and use tax rate (i.e. Sales Tax rate) and to establish a Public Finance Authority. A Public Finance Authority is established for the purpose of recommending a sales tax increase to the voters and for determining the distribution of the new revenues resulting from the sales tax increase.

- The Public Finance Authority would be governed by a 10-member Board of Directors consisting of five members of the Board of Supervisors and a total of five members from both the Unified School District and the Community College District. The proposed resolution specifies that the San Francisco Board of Supervisors would elect five of its eleven members to serve on the Board of Directors of the Public Finance Authority.

- Counties can increase the Sales Tax rate by either 0.25 percent or 0.5 percent provided both of the following occurs: a) an ordinance is approved by a two-thirds vote of the Public Finance Authority which specifies how the proceeds will be spent (i.e. drug abuse prevention, crime prevention, health care services and public education), and b) the proposed Sales Tax rate increase is approved by a majority of the qualified voters.

4. On January 12, 1993, the Board of Education of the San Francisco Unified School District approved a resolution which declares its intent to increase the Sales Tax rate by either 0.25 percent or 0.5 percent and authorizes the creation of the San Francisco County Public Finance Authority. The current 0.25 percent Sales Tax surcharge for the Unified School District and the Community College District will expire on June 30, 1993. The Public Financing Authority would be established upon adoption of a similar resolution by the Board of Governors of the Community College District. According to Mr. Bob Golton of the San Francisco Unified School District, the rate of the proposed increase in the Sales Tax and the allocation of the Sales Tax proceeds from the increased rate would be decided by the Public Finance Authority.

5. The total current Sales Tax rate is 8.5 percent in San Francisco. The proceeds from this tax are distributed as follows:

| Portion of 8.5 percent Sales Tax Rate | Distributed to |
|---|---|
| 6.0 percent | Current total to State of California; includes a 4.75 % base rate; 0.5% temporary surtax; 0.25% temporary surtax; 0.5% dedicated to realignment. |
| 1.0 percent | Amount provided to City and County General Fund; 1993-94 projected is $90,640,000. |
| 0.5 percent | County Transportation Commission |
| 0.25 percent | Statewide County Transportation |
| 0.5 percent | Bay Area Rapid Transit District |
| 0.25 percent | Surtax, expiring 6/93, dedicated to the San Francisco Unified School District and the San Francisco Community College District |
| **8.5 percent** | **Total Sales Tax Rate in San Francisco County** |

6. Based on information provided by the State Board of Equalization, on July 15, 1991, a Sales Tax increase became effective which increased the total State-allocated Sales Tax by 1.25 percent, from the 4.75 percent base rate to 6.0 percent. The Governor's FY 1993-94 budget indicates that the 0.5 percent temporary surtax noted above in the 6.0 percent portion of the Sales Tax allocated to the State of California would not be extended past its June 30, 1993 sunset date. The Governor's proposal is preliminary, and subsequent State legislation, if approved, may extend the 0.5 percent temporary sales tax. As noted above, the current 0.25 percent surtax for the San Francisco Unified School District and the San Francisco Community College District also expires on June 30, 1993. Therefore, depending upon the State Legislature, and depending on the approval of this proposed resolution and the approval of the San Francisco electorate, the following scenarios could result:

a) 8.25 percent. This Sales Tax rate would result if the proposed resolution is adopted which would enable the Public Finance Authority, with the approval of the voters, to increase the sales tax by up to 0.5 percent, and the Governor's proposed elimination of the State 0.5 percent surtax is approved by the State legislature (local 0.25 percent rate for schools expires).

b) 7.75 percent. This Sales Tax rate would result if the Governor's proposed elimination of the State's 0.5 percent surtax is approved by the State Legislature, and the San Francisco voters do not approve the increase in the Sales Tax rate by 0.5 percent (local 0.25 percent rate for schools expires).

7. Mr. Greg Ridenour of the Registrar of Voters reports that a special election would require a notice of 88 days after the Board of Supervisors calls for the special election. Mr. Ridenour estimates that a special election could cost the City up to $1 million, depending on the number of initiatives which are placed on the ballot. AB 1930 specifies that the any increase in the Sales Tax rate must be approved by a majority of the qualified voters of that county. However, the City Attorney's Office states a two-thirds voter approval is required (see Comment No. 10). AB 1930 also indicates that the costs of a special election could be reimbursed from the proceeds generated from the Sales Tax rate increase. Therefore, if the voters do not approve the increase in the Sales Tax rate, an additional cost of up to $1 million would be incurred by the City. However, if the special election is called as part of the November, 1993 ballot, the additional costs incurred would only be the minimal costs associated with additional voter pamphlet mailing and printing costs.

8. The existing Sales Tax rates for San Francisco and other Bay area counties, as well as Los Angeles County, are as follows:

| County | Current Tax Rate | Sales Tax Rate With Proposed 0.5 percent Increase in San Francisco but Without State 0.5 percent Surtax |
|---|---|---|
| **San Francisco** | **8.5 percent** | **8.25 percent*** |
| Alameda | 8.25 percent | 7.75 percent |
| Contra Costa | 8.25 percent | 7.75 percent |
| Marin | 7.25 percent | 6.75 percent |
| San Mateo | 8.25 percent | 7.75 percent |
| Santa Clara | 8.25 percent | 7.75 percent |
| Solano | 7.25 percent | 6.75 percent |
| Sonoma | 7.50 percent | 7.00 percent |
| Los Angeles | 8.25 percent | 7.75 percent |

* Includes proposed 0.5 percent local Sales Tax increase (allocated to both the City and County and the Board of Education and the Community College District), and does not include the current .25 percent surtax for the San Francisco Unified School District and the San Francisco Community College District, which expires on June 30, 1993.

9. As noted above, if the State eliminates the 0.5 percent surtax and if San Francisco increases the Sales Tax by an additional 0.5 percent, to be allocated to the City and County and to the Board of Education and the Community College District, the total proposed Sales Tax rate for San Francisco would be 8.25 percent, which would be 1.5 percent higher than the proposed Marin County Sales Tax rate of 6.75 percent, and 0.5 percent higher than the other Bay Area counties including San Mateo, Alameda, Santa Clara and Contra Costa Counties. As noted, the difference between the Sales Tax in San Francisco and other counties assumes that San Francisco would be the only county which increases its Sales Tax.

10. Mr. David Oppenheim of the California State Association of Counties (CSAC) reports that as a result of recent a) litigation, b) legislation, c) a voter approved initiative and d) contradictory legal opinions, the requirements which a county must follow to increase the Sales Tax rate are now very unclear. In addition, Mr. Oppenheim reports that it is also unclear as to whether or not counties may increase a Sales Tax rate with a majority vote or whether a two-thirds voter approval is required, based upon recent court decisions in San Diego and Woodlake.

Therefore, Mr. Oppenheim indicates that CSAC policy is that the State Revenue and Taxation Code needs to be amended for counties to have any clear authority to increase a Sales Tax rate locally.

Ms. Angela Karikas of the City Attorney's Office has indicated that a two-thirds majority of the voters would be required to increase the Sales Tax rate for the specific purpose of public education, drug abuse prevention and health care services.

11. According to Mr. Oppenheim, there is current State legislation which is being discussed which would clarify the requirements for increasing a local Sales Tax rate. Mr. Oppenheim adds that most counties in California are not considering increasing the Sales Tax rate until these legislative ambiguities are clarified. Based upon inquiries to the Regional County Offices of the State Board of Equalization, neither Marin, San Mateo, Alameda nor Santa Clara counties are proposing to increase their local Sales Tax rate at this time. Therefore, if the Sales Tax rate is increased by 0.5 percent for San Francisco, the Sales Tax rate for San Francisco will be the highest of the adjoining counties in the Bay area.

12. According to Ms. Sue Lee of the San Francisco Chamber of Commerce, the Chamber of Commerce has not yet developed an official position on the proposed Sales Tax rate increase, or determined the impact on businesses if the Sales Tax rate is increased by 0.5 percent. However, Ms. Lee notes that the Chamber of Commerce had previously remained neutral on the 0.25 percent Sales Tax rate for the San Francisco Unified School District and the Community College District.

13. Based upon the revenue projections for FY 1993-94 included in the "Joint Report on the Anticipated Revenue Shortfall for the Fiscal Year 1993-94 Budget" by the Controller, the Mayor's Co-Budget Directors and the Budget Analyst, dated January 15, 1993, a revenue shortfall of $184 million is projected for FY 1993-94. This revenue shortfall is based upon the most recent revenue data, the Governor's State budget proposal (which includes an estimated $72 million in reductions for San Francisco) and preliminary estimates of the City's expenditure requirements for FY 1993-94.

14. As noted above, in order to hold a special election, an 88 day notice is required beginning from the date the special election is called for by the Board of Supervisors. In addition, AB 1930 requires 90 days before the increased Sales Tax rate can be imposed. The additional revenues which are anticipated to be generated from increasing the local Sales Tax rate by one half cent (0.5 percent) are an estimated $45,320,000 annually, based on the FY 1993-94 revenue projections contained in the Controller's, the Mayor's Co-Budget Directors' and the Budget Analyst's joint report. However, given the requirements of the special election and a 90 day State requirement before these revenues could be imposed, estimated revenues for FY 1993-94 would amount to $33,990,000 (effective 10/1/93) if the special election were held no later than June, 1993, and an estimated $11,330,000 (effective 4/1/94) if the special election was held in November, 1993. In addition, it is possible that actual revenues received in FY 1993-94 could be reduced if consumers travel to other areas to purchase goods and services, given the difference between the Sales Tax rate in San Francisco and the Sales Tax rate in surrounding

counties. According to Mr. Ed Harrington, the Controller, San Francisco could request that the State adopt legislation which would expedite the 90 day State requirement in order to begin imposing a new Sales Tax in July, 1993, rather than having an effective date in October, 1993, which has been done with previous local Sales Tax increases.

**Recommendation**

Approval of the proposed resolution, which would declare the intent of the Board of Supervisors to propose an increase in the transactions and use tax (Sales Tax) rate and establish the San Francisco County Public Finance Authority, is a policy matter for the Board of Supervisors.

Item 13 - File 100-92-12

This item is a hearing to consider a report from the Controller regarding the 1992-93 fiscal year budget status to date. According to Mr. John Madden, Chief Deputy Controller, the subject report is still in progress and will not be issued until sometime during the first two weeks of February.

Item 14 - File 100-93-2

This item is a hearing to consider the Joint Report by the Mayor, the Controller and the Budget Analyst regarding the anticipated General Fund revenue shortfall for the Fiscal Year 1993-94 budget. Refer to the separate report of January 15, 1993 previously issued by the Mayor's Co-Budget Directors, the Controller and the Budget Analyst.

Harvey M. Rose

cc: Supervisor Migden
Supervisor Hsieh
Supervisor Shelley
President Alioto
Supervisor Achtenberg
Supervisor Bierman
Supervisor Conroy
Supervisor Hallinan
Supervisor Kaufman
Supervisor Kennedy
Supervisor Maher
Clerk of the Board
Chief Administrative Officer
Controller
Jean Mariani
Barbara Kolesar
Ted Lakey

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CALENDAR - Actions Taken

MEETING OF
BUDGET COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

WEDNESDAY, FEBRUARY 3, 1993 – 2:00 P.M. LEGISLATIVE CHAMBER
2ND FLOOR – CITY HALL

PRESENT: SUPERVISORS MIGDEN, HSIEH, SHELLEY

CLERK: KAY GULBENGAY

NOTE: Copies of the Budget Analyst's Report will be available for review on the counter in the Office of the Clerk of the Board, Room 235, City Hall, 10:00 a.m., the date of the meeting.

## CONSENT CALENDAR

1. All matters listed hereunder constitute a Consent Calendar, are considered to be routine by the Budget Committee, and will be acted upon by a single roll call vote of the Committee. There will be no separate discussion of these items unless a member of the Committee or a member of the public so requests, in which event the matter shall be removed from the Consent Calendar and considered as a separate item.

   (a) File 101–90–57.3. [Release of Funds] Requesting release of reserved funds, Airports Commission, in the amount of $6,633,375 for infrastructure repair and maintenance contract. (Airports Commission)

   ACTION: Hearing held. Continued to February 10, 1993 meeting.

   (b) File 94–91–8.1. [Release of Funds] Requesting release of reserved funds, Public Utilities Commission, in the amount of $325,000, for the Station Agent Booth Improvements Project. (Public Utilities Commission)

   ACTION: Hearing held. Release of $41,000 recommended. Filed.

   (c) File 100–91–1.30. [Release of Funds] Requesting release of reserved funds, Port Commission, in the amount of $93,000, for financial and economic consultant for the Waterfront Land Use Plan. (Port Commission)

   ACTION: Hearing held. Release of $110,000 recommended. Filed.

(d) File 101-91-7.5. [Release of Funds] Requesting release of reserved funds, Fire Department - 1986 Fire Protection Bond, in the amount of $2,964,000, for building eight new cisterns in areas that will include parts of the Richmond, Sunset and Marina Districts (North Point near Scott Street, Funston & California, 30th & Geary, 34th & Balboa, 38th & Geary, 41st & Balboa, 46th & Geary and 45th & Vicente). (Fire Department)

ACTION: Filed.

(e) File 100-89-1.24. [Release of Funds] Requesting release of reserved funds, Fire Department/Consent Decree Program, in the amount of $35,000, to provide Management Development and Training for communication and teambuilding skills for firefighters and their officers. (Fire Department)

ACTION: Release of $35,000 recommended. Filed.

REGULAR CALENDAR

2. File 185-92-5. [Children's Services Plan, 1993-94] Resolution approving the Children's Services Plan for the San Francisco Children's Fund in accordance with Charter Section 6.415. (Supervisor Achtenberg)
(Continued from 1/13/93)

ACTION: At the direction of the President transferred to Economic Vitality and Social Policy Committee.

3. File 102-92-13. [Public Employment] Ordinance amending Annual Salary Ordinance, 1992-93, Mayor's Office of Children, Youth and Their Families, reflecting the addition of five positions (Classifications 9786 Assistant to Mayor III (1), 9782 Assistant to Mayor I (1), 9740 Staff Assistant IV, Special Project (1), 1632 Sr. Account Clerk (1), 1422 Jr. Clerk Typist (1). (Civil Service Commission) (Companion measure to File 101-92-31)
(Continued from 1/27/93)

ACTION: Hearing held. Recommended. (Supervisor Hsieh dissented.)

4. File 101-92-31. [Government Funding] Ordinance appropriating $70,804, Mayor's Office of Children, Youth and their Families, for permanent salaries - miscellaneous and related mandatory fringe benefits and rescinding $46,742 from other contractual services, for the creation of five positions. (Supervisor Achtenberg)
(Continued from 1/27/93)

ACTION: Hearing held. Recommended. (Supervisor Hsieh dissented.)

5. File 97-92-67. [Board of Supervisors - Fees] Ordinance amending Administrative Code by adding Section 8.37 thereto, authorizing the Clerk of the Board of Supervisors to collect fees to defray the cost of mailing and providing copies of documents relating to the business of the Board of Supervisors, and authorizing the Clerk of the Board to waive, in exigent circumstances, the fees authorized by this section. (Clerk of the Board)
   Continued from 1/20/93)

   ACTION: Hearing held. Amended (See File Details) Bearing same title. Recommended as amended.

6. File 12-93-4. [Local Government Funding] Resolution authorizing the State Legislative Representative to advocate for the City's ability to generate local revenues (AB 1930 one-half cent sales tax and extend payroll and gross receipts tax to banks and savings and loan associations). (Supervisor Migden )

   ACTION: Hearing held. Amendment of the whole (as presented by Supervisor Migden) adopted.

   New Title: "Authorizing the State Legislative Representative to advocate for the City's ability to generate local revenues." Recommended as amended.

7. File 101-92-26. [Government Funding] Ordinance appropriating $5,450 for permanent salaries and related mandatory fringe benefits, for the creation of one (1) position and deletion of one (1) position, Superior Court for Fiscal Year 1992-93. (Controller)

   ACTION: Hearing held. Amended on page 1 lines 1, 11 and 15 by replacing "$5,450" with "$2,750; and on line 13 by replacing $4,656" with $2,391" and further amended on line 14 by replacing "$794" with "$359".

   New Title: "Appropriating $2,750 for permanent salaries and related mandatory fringe benefits, for the creation of one (1) position and deletion of one (1) position, Superior Court for Fiscal Year 1992-93." Recommended as amended.

8. File 102-92-11. [Public Employment] Ordinance amending Annual Salary Ordinance, 1992-93, Superior Court, reflecting the reclassification of one (1) position. (Companion measure to File 101-92-26)

   ACTION: Hearing held. Recommended.

CITY AND COUNTY OF SAN FRANCISCO

# BOARD OF SUPERVISORS

BUDGET ANALYST
1390 MARKET STREET, SUITE 1025
SAN FRANCISCO, CALIFORNIA 94102 • TELEPHONE (415) 554-7642

February 1, 1993

**TO:** Budget Committee

**FROM:** Budget Analyst

**SUBJECT:** February 3, 1993 Budget Committee Meeting

Item 1a - File 101-90-57.3

**Department:** Airports Commission

**Item:** Requesting release of reserved funds for infrastructure and maintenance contract.

**Amount:** $6,633,375

**Source of Funds:** Interest income on unused balances of the Airport's capital project funds remaining from completed projects, as follows:

| | |
|---|---|
| Airport Capital Improvement Fund | $ 7,466,608 |
| 1967 General Obligation Bonds | 56,756 |
| 1975 Series A Revenue Bonds | 382,135 |
| 1977 Series B Revenue Bonds | 483,130 |
| 1981 Series C Revenue Bonds | 4,475,268 |
| 1983 Series D Revenue Bonds | 3,018,705 |
| 1990 Series E Revenue Bonds | 2,021,000 |
| Total Source of Funds | $17,903,602 |

**Description:** In March of 1991, the Board of Supervisors appropriated interest earned on the residual balances of funds from capital improvement projects that had been completed at the Airport in the amount of $17,903,602 (File 101-90-57) for the following projects:

| | |
|---|---|
| Replace Electrical Equipment and Change Field Lighting Voltage | $ 2,900,000 |
| Construct High Speed Exit Taxiway | 5,107,830 |
| Dike Reconstruction - Phase 5 | 1,300,000 |
| Centerline Lights & Taxiway Lights Upgrade | 1,595,772 |
| Extend Runway Safety Area - Phase I | 3,000,000 |
| Runway Exit Fillet Widening- Phase I | 1,000,000 |
| Electrical Power Distribution System Upgrade | 3,000,000 |
| Total Request | $17,903,602 |

Architectural and engineering design, inspections and project management for all of the proposed projects were to have been performed in-house by Airport staff, which accounts for $2,685,540 or 15 percent of the amount requested for each project. The remaining 85 percent of the $17,903,602 requested, or $15,218,062, was placed on reserve pending selection of the outside contractors and determination of the contract cost details and the MBE/WBE status of the contractors.

The Airport requests the release of $6,633,375 (see Comment No. 7) of the previously reserved funds of $15,218,062 to provide funding for Phase II of the Field Lighting Raceway System Improvement Project. The total estimated cost for the Project is $22,600,000.

However, it should be noted that the Field Lighting System Improvement Project is not included in the projects above (see Comment No. 2).

According to the Airport, under the current raceway lighting system, maintenance crews must close down runways and taxiways to perform maintenance work, because of the close proximity of the cabling to the operational area. For safety

reasons, the raceway circuits are worked on only during daylight hours when all lights are off. The proposed project would relocate all components of the distribution portion of the circuits away from the critical operational areas, thus permitting access to the components without closing circuits. The project would also provide a separate raceway system for each circuit, permitting maintenance crews to work on a single circuit at night without shutting down all circuits.

**Comments:**

1. The Finance Committee of the Board of Supervisors previously released from the reserved amount of $15,218,062 funding in the amount of $2,436,885 (File 101-90-57.1), and $1,724,441 (File 101-90-57.2) in May and August of 1991, respectively. Therefore, funding in the amount of $11,056,736 remains on reserve.

2. The Field Lighting Raceway Improvement Project is not included in the list of projects for which the Board of Supervisors previously appropriated the $17,903,602. Mr. John Martin of the Airport reports that since 1990, proceeds of Airport bonds sold must be expended according to time schedules imposed by the Internal Revenue Service. In order to adhere those schedules and avoid paying penalties, the Airport is required to constantly adjust its financing plans to expend restricted bond proceeds as quickly as possible.

3. Mr. John Madden of the Controller's Office reports that the Controller's Office does not object to the proposed use of funds and that approval of funds for the Field Lighting Raceway Improvement Project is within the purview of the Board of Supervisors.

4. Mr. Martin reports that the projects for which the $17,903,602 was originally appropriated are all scheduled to be completed, using future capital project funds, subject to separate appropriation by the Board of Supervisors.

5. Rosendin Electric has been selected to perform the construction work on the Field Lighting Raceway Improvement Project, based on its low bid of $4,758,863. The Airport has provided the following bid information:

| Bidder | MBE/WBE Status | Bid Amount |
|---|---|---|
| Rosendin Electric | Registered MBE - Not Disadvantaged No Preference | $4,758,863 |
| SWK, (J.V.)[1] | None | $5,772,400 |
| Abbet-Tick (J.V.) | Certified MBE/10% preference | $5,780,950 |
| Amelco Electrical R. Ruiz (J.V.) | Certified MBE/10% Preference | $7,781,131 |

6. Phase I of the Field Lighting Raceway Improvement Project commenced in October of 1992. The entire Project is scheduled for completion in September of 1993.

7. According to Mr. Martin, because the low bid for the electrical contractor work was $4,758,863 and the original estimate for that work was $5,415,000, the request for the release of reserved funds should be changed from $6,633,375 to $5,829,607 as follows:

| | | |
|---|---|---|
| Construction Subtotal | $4,758,863 | |
| AE&I[2]/Contingency | 1,070,744 | |
| Project Total - Phase II | | $5,829,607 |

**Recommendation:** Because the Field Lighting Raceway Improvement Project was not included in the list of projects for which the requested funds were previously appropriated, the decision as to whether to approve this release of funds is a policy matter for the Budget Committee. If the Budget Committee approves release of funding for the requested project, reduce the amount of the requested release of the reserved funds by $803,768, from $6,633,375 to $5,829,607. Continue to reserve the $803,768.

[1]Joint Venture.
[2]Architectural, Engineering and Inspection.

Memo to Budget Committee
February 3, 1993

Item 1b - File 94-91-8.1

**Department:** Public Utilities Commission (PUC)

**Item:** Requesting release of reserved funds for the Station Agent Booth Improvement Project.

**Amount:** $325,000

**Source of Funds:** Urban Mass Transportation Administration (UMTA) Section 9 Formula Assistance Funds

**Description:** In January of 1992, the Board of Supervisors approved Resolution No. 3-92 (File No. 94-91-8) authorizing the PUC to apply for, accept, and expend UMTA Section 9 Formula Assistance Funds in the amount of $26,819,276 and also approved $6,704,819 from various local match sources. The total sum of $33,524,095 was placed on reserve, pending submission of detailed project budgets.

The Station Agent Booth Improvement Project would be the first use of funds from the reserved $33,524,095 UMTA Section 9 Formula Assistance Funds.

The purpose of the Station Agent Booth Improvement Project is to improve the working conditions in the 16 station agent booths located in the MUNI Metro system between the West Portal and Embarcadero Stations. The booths are inadequately ventilated and cause neck and eye strain due to the location of television monitors. The booths also have inadequate security resulting from the sliding glass partitions used to verify transfers and to respond to questions.

The PUC reports that the main objective of the project is to provide air conditioning for cooling and ventilation to maintain the booth temperature at a comfortable range at all times.

The scope of work for the 16 agent booths would consist of the following:

1. Improve Ventilation and Space Conditioning - Furnish and install a heat pump and a separate filtered supply air fan for proper temperature and ventilation control. The supply air fan unit would filter the air for maximum cleanliness and prevent stale air from entering the booths.

2. Power/Control Cabinet Cooling - The small fan in the power/control unit cabinet would be modified to exhaust the warm air, as opposed to the existing method of blowing the warm and dirty air into the booth.

3. Electrical - Electrical support would consist of relocating the existing television monitors to the counter level, which will require communication and electrical wiring support. The heat pump unit will be wired to the existing electric heater circuit breaker. The existing lighting would be modified to reduce glare.

4. Booth Glass - The existing sliding glass partitions used for verifying transfers and responding to questions would be replaced with a stationary/fixed position glass. A stationary money/transfer ticket tray would be provided for exchanges. An amplifier/speaker unit similar to the units used by BART would be added for improved communication and safety.

5. Television Monitors - The existing television monitors, which are mounted at ceiling level, would be lowered to the counter level by modifying or replacing the counters on one side of the booths. The modification option would involve cutting holes in the existing counter and providing new shelves installed at an angle with modification to the existing structural steel tubes. The modification would be modeled after the existing Forest Hill Station agent booth.

**Project Budget:**

1. Engineering

| | | | |
|---|---|---|---|
| a. PUC Utilities Engineering Bureau (UEB) Inhouse Personnel | | $11,000 | |
| Project Management | $2,200 | | |
| Engineering Services | 7,700 | | |
| Construction Engineering | 1,100 | | |
| b. Contingency | | 2,000 | |
| Subtotal - Engineering | | | $13,000 |

2. Design

| | | | |
|---|---|---|---|
| a. UEB In-house Personnel | | $24,500 | |
| Project Management | $3,500 | | |
| Engineering Services | 18,800 | | |
| Construction Engineering | 2,200 | | |
| b. Contingency | | 3,500 | |
| Subtotal - Design | | | $28,000 |

3. Construction

| | | | |
|---|---|---|---|
| a. UEB In-house Personnel | | $28,500 | |
| Project Management | $3,300 | | |
| Engineering Services | 6,700 | | |
| Construction Engineering | 18,500 | | |
| b. Construction Contract | | 222,600 | |
| c. Contingency | | 29,900 | |
| d. Other Direct Costs (Reproduction, Mailing, Travel) | | 3,000 | |
| Subtotal - Construction Costs | | | $284,000 |

4. Total Project $325,000

**Comments:**

1. Ms. Mary Williams, Project Manager for the Station Agent Booth Improvement Project, reports that the UEB plans to commence engineering work on the Project on February 8, 1993, and that the project is scheduled to be completed in November of 1993.

2. Ms. Williams further reports that May 3, 1993, is the estimated date for soliciting bids for the construction work on the project.

3. The UEB in-house work would be performed by existing personnel paid through workorders, reimbursable from the subject grant funds.

**Recommendation:** Release $41,000 in project funding for the UEB in-house engineering and design phases. Continue to reserve the construction funding in the amount of $284,000 pending submission to the Board of Supervisors of the selection of the contractor, the contract cost details and the MBE/WBE status of the contractor.

BOARD OF SUPERVISORS
BUDGET ANALYST

Item 1c - File 100-91-1.30

**Department:** Port Commission

**Item:** Request for release of reserved funds for the Port Commission in the amount of $93,000 for financial and economic consultant services for the Waterfront Land Use Plan.

**Amount:** $93,000 (see Comment No. 5)

**Description:** The Port Commission's 1991-92 budget included $240,000 for consultant services related to land use planning and the environmental impact report for the Port's Waterfront Land Use Plan. Of the $240,000 which was placed on reserve in 1991 by the Board of Supervisors, $75,000 was designated for land use planning consultants and $165,000 was designated for Environmental Impact Report (EIR) consultants.

These funds were placed on reserve by the Board of Supervisors pending identification of the proposed consultants, the hourly rates, and the MBE/WBE status of the consultants. Accordingly, the Port submitted a request to the Clerk of the Board of Supervisors for release of $93,000 of these reserved funds, including $75,000 for economic and financial analyses of alternative land use plans, and $18,000 for preliminary studies related to the Environmental Impact Report (see Comment No. 4).

The Port is now requesting that funds be released in the amount of $110,000, including an additional $17,000 for transportation planning services to analyze traffic patterns at the Port's container terminal (see Comment No. 5). The remaining $130,000 of the $240,000 which was placed on reserve would continue to be reserved pending release for the preparation of further consulting services for the Environmental Impact Report at a later time.

The preparation of a Waterfront Land Use Plan was mandated by San Francisco voters under Proposition H, which was enacted in November, 1990. Proposition H requires the City to prepare a land use plan which designates three categories of land use for the Waterfront: 1) maritime land uses, 2) acceptable non-maritime land uses, and 3) unacceptable non-maritime land uses for the Waterfront. Until the plan is completed, the City cannot allow new development of any non-maritime uses for the Waterfront except for those uses which had already existed or had all necessary permits prior to January 1, 1990.

The completed Waterfront Land Use Plan would be subject to public hearings before the City Planning Commission. Once the plan is adopted by the City Planning Commission, the City's Master Plan would be amended to incorporate its provisions, and the City could not allow any developments which are designated as Unacceptable Non-Maritime Uses in the Waterfront Land Use Plan.

**Comments:**

1. The Port Commission reports that a Request for Proposal (RFP) was issued on October 19, 1992 for economic and financial analysis services which are needed to evaluate alternative land use development scenarios for the Waterfront. The Port advises that the RFP was advertised in the San Francisco Examiner, the Small Business Exchange, and the Purchasing Department's newsletter, and that the Human Rights Commission assisted in outreach efforts to local, minority-owned and women-owned enterprises.

2. Twelve proposals were submitted in response to the RFP. A number of bids were received from teams of consulting firms who proposed to collaborate as a joint venture for this project. Attachments to this report reflect 1) the names of the consulting teams which responded to the proposal (Attachment 1); 2) the percent of MBE/WBE representation, the bid amount, and the range of hourly rates for each proposal submitted (Attachment 2); and, 3) a description of the professional services offered by each of the MBE/WBE firms which responded to the RFP and the bid preference which each of these firms was eligible to receive based on criteria established by the Human Rights Commission (Attachment 3). The Budget Analyst notes that not all of the MBE/WBE firms qualified for bid preferences, since an MBE/WBE firm must also qualify for such preferences based on its location in San Francisco and financial criteria which establish whether the firm is economically disadvantaged.

3. The Port advises that the twelve proposals were evaluated based on the criteria described in the RFP, including project approach, ability to meet the needs of the Port, and the qualifications and experience of the consultants and designated project staff. Each proposal was evaluated using a point system based on these criteria.

The Human Rights Commission preferences for local, minority, and women-owned businesses were then applied to the point totals; four of the twelve proposals qualified for MBE/WBE preferences. The twelve proposals were then ranked by their adjusted scores, and the four highest ranking

consulting teams were invited to participate in oral interviews, including two who had received MBE/WBE preferences.

The selection committee, comprised of representatives from the Port and other City agencies, assigned the highest score following oral interviews to the consulting team of Economic and Planning Systems / Vickerman-Zachary-Miller / Dinwiddie and Associates / David Evans and Associates, a joint venture, which submitted a proposed amount of $75,000. This team includes 18 percent MBE/WBE representation through the participation of Dinwiddie and Associates of Oakland, California, which is both an MBE and WBE firm, but which is not eligible to receive a bid preference under the Human Rights Commission criteria, which require a San Francisco location.

4. The twelve consulting teams which responded to the RFP submitted total bids ranging from $72,000 to $75,025 (See Attachment 2). Ms. Veronica Sanchez of the Port states that these services included economic and financial analysis related to land use planning, as well as some transportation planning.

Following the selection of Economic and Planning Systems, et. al. (as described at Comment 3, above), the scope of the services to be performed was expanded and the amount of the proposed contract was increased by $18,000 from $75,000 to $93,000, to incorporate preliminary studies needed for the Environmental Impact Report for the Waterfront Land Use Plan. The $18,000 increase was included during contract negotiations and, because the consultants wished to secure the contract, the $18,000 cost of these services reflects a highly competitive offer, according to Ms. Sanchez.

However, since the proposals submitted in response to the RFP concerned the original scope of services valued at approximately $75,000, and since the proposed increase in the contract to $93,000 was negotiated with a single consulting team after the proposals were submitted, the Budget Analyst believes that the release of $18,000 for the additional services related to the Environmental Impact Report is a policy matter for the Board of Supervisors.

5. On January 29, 1993, the Port proposed to further increase the revised amount of the contract by an additional $17,000 from $93,000 to $110,000. Ms. Sanchez advises that the additional $17,000 would be used to expand the scope of the

consultant's services to include transportation planning for the Port's container terminals.

Ms. Sanchez advises that the Metropolitan Transportation Commission (MTC) notified the Port on January 29, 1993 that additional traffic studies of the Port's container terminals are needed in order for the Port to qualify for $6.8 million in congestion management funds, administered by MTC, for the Port's tunnel project.

The tunnel project concerns improvements to the Port's rail and trucking facilities for the movement of container cargo. Since these are land uses which will be examined as part of the Waterfront Land Use Plan, Ms. Sanchez states that the proposed additional $17,000 for these transportation planning services will support the Port's $6.8 million grant application to MTC and also generate data for the Environmental Impact Report for the Waterfront Land Use Plan.

In order to qualify for the congestion management funds, the Port must complete the required traffic studies by April, 1993. For this reason, Ms. Sanchez states that the Port wishes to include the transportation planning services in the economic and financial analysis and preliminary EIR services to be provided by the consultants for the Waterfront Land Use Plan.

These additional transportation planning services would be provided by the firm of David Evans and Associates, which is part of the joint venture team of consultants selected to perform the original scope of financial and economic analysis services. David Evans and Associates is neither an MBE nor WBE firm. However, Ms. Sanchez states that none of the transportation planning firms which responded to the RFP are certified MBE or WBE firms.

6. Ms. Sanchez indicates that transportation planning services of this nature were included, to a lesser extent, in the Request for Proposal which was issued by the Port on October 19, 1992 for the Waterfront Land Use Plan. However, she states that the RFP did not reflect the full scope of the transportation planning services which the Port now wishes to perform.

7. The Budget Analyst notes that, since the full range of the proposed additional transportation planning services were not included in the RFP issued by the Port on October 19, 1992, all of the consultants responding to the RFP did not have an opportunity to fully respond to these additional services. In

addition, although Ms. Sanchez states that the proposed additional transportation planning services would have been performed at a later date for the Waterfront Land Use Plan, the funds for these services are being requested at this time in connection with a project other than the Waterfront Land Use Plan for which the funds were originally budgeted.

For these reasons, the Budget Analyst would normally recommend that the release of an additional $17,000 for the expanded transportation planning services not be approved. However, since Ms. Sanchez indicates that the transportation planning services are needed on an expedited basis in order to apply for $6.8 million in funds available from MTC, the Budget Analyst believes that the release of an additional $17,000 for these services is a policy matter for the Board of Supervisors.

9. The Budget Analyst notes that the proposed contract cost of $110,000 is approximately 47 percent higher than the $75,000 cost of the services which were included in the Port's original Request for Proposal.

10. The Port advises that, under the proposed contract, the hourly fee for the consultants' services would range from $30 to $120, and the average hourly fee for the proposed services would be $90.00. The amount of the hourly fee for each consultant will vary based on the seniority and expertise of each consultant, but could not exceed $120.

11. Mr. Paul Osmundson, Development Project Coordinator for the Port, states that a contract for the services to be performed by the consultants would include a provision that the total cost of the contract could not exceed $93,000 for economic and financial analysis and preliminary EIR studies (if the proposed additional transportation services are not included), or $110,000 if the scope of services is expanded to include the additional transportation services.

The Port estimates that the proposed contract, without the additional transportation services, would require approximately 1,000 hours to complete, at an estimated cost of $90,000. However, because the Port believes that the scope of work for the economic and financial consultants could require slightly more than 1,000 hours, the Port has requested release of reserved funds in the amount of $93,000 for these services, which provide for approximately 1,033 hours at the average hourly rate of $90.00.

10. The Budget Analyst notes that, of the $240,000 which was placed on reserve in 1990 by the Board of Supervisors, $75,000 was designated for land use planning consultants to provide economic and financial analyses, and $165,000 was designated for EIR consultants. Of the $110,000 being requested for release at this time, $75,000 would be used for economic and financial analysis related to land use planning, and $35,000 would support the Environmental Impact Report, according to the Port. If $110,000 is released at this time, then $130,000 would remain on reserve for the Environmental Impact Report ($240,000 currently on reserve less the $110,000 which would be released).

Ms. Sanchez states that $130,000 may or may not be sufficient to pay the cost of the Environmental Impact Report, since the cost of the EIR will depend on market conditions at the time that an RFP for environmental consulting services is issued.

Alternatively, if $93,000 is released at this time, then $147,000 would remain on reserve for the EIR consultants. If $75,000 is released at this time for the economic and financial analysis services which were included in the Port's RFP, then $165,000 would remain on reserve for the EIR consultants.

**Recommendation:** Approve the release of reserved funds in the amount of $75,000 for economic and financial services related to land use planning, which were included in the Port's RFP of October 19, 1993.

Release of an additional $18,000 which has been requested to expand the original scope of economic and financial services to include preliminary environmental studies (increasing the amount of the contract from $75,000 to $93,000) is a policy matter for the Board of Supervisors, since these services were not included in the RFP and not all of the consulting teams responding to the RFP had the opportunity to fully respond to these proposed additional services.

The Budget Analyst would normally recommend disapproval of an additional $17,000 which has been requested for transportation planning services for the Port's tunnel project which also were not included in the RFP, and which would further increase the cost of the proposed services from $93,000 to $110,000. However, since the Port states that these services are needed on an expedited basis to qualify for $6.8 million in MTC funds, the release of $17,000 for transportation planning services is a policy matter for the Board of Supervisors.

File 100-91-1.30
Attachment 1

**PORT OF SAN FRANCISCO**
**RFP FOR FINANCIAL & ECONOMIC CONSULTANT SERVICES**
**FOR THE WATERFRONT LAND USE PLAN**

**PROPOSALS SUBMITTED**

Coopers & Lybrand / THK Associates, Inc.

Gruen Gruen & Associates / McGuire & Company

Williams-Kuebelbeck & Associates, Inc. /
Theresa Hughes & Associates, Inc. / Ackland International /
Polaris Research & Development

Economic & Planning Systems / Vickerman - Zachary - Miller /
Dinwiddie & Associates / David Evans & Associates

Economics Research Associates / BST Associates / Carol Brown

Cordoba Corporation / Price Waterhouse

Ted Rust / Bay Area Economics

Polaris Research & Development

Recht Hausrath & Associates / Manalytics Inc.

Martin O'Connell Associates

Sedway & Associates / Kotin, Regan & Mouchly, Inc. /
Concept Marine Associates, Inc. / M. Abbot & Associates

Grigsby / Graves & Company / Starboard Financial Services /
FORMA / Vello Kiisk

PO:fj-2FPRLIST(PS)

File 100-91-1.30

Attachment 2

January 29, 1993

Characteristics of Proposals Submitted
in Response to RFP for Financial and Economic Consultant Services

| Lead Consultant | Percent MBE/WBE | Original Bid | Range of Hourly Rates |
|---|---|---|---|
| Cooper's and Lybrand | 0% | $75,000 | $35 - $160 |
| Gruen & Gruen Associates | 100% | $75,000 | $35 - $150 |
| Williams & Kuelbelbeck | 40% | $75,000 | $45 - $100 |
| Economics Research Ass. | 0% | $75,000 | $70 - $150 |
| Cordoba Corp. | 0% | $72,000 | $50 - $185 |
| Ted Rust | 0% | $75,000 | $50 - $100 |
| Polaris R & D | 54% | $73,000 | $50 - $100 |
| Recht Hausrath | 0% | $75,025 | $70 - $125 |
| Martin O'Connell | 0% | $75,000 | $50 - $125 |
| Sedway and Associates | 45% | $75,000 | $50 - $140 |
| Grigsby Graves & Company | 51% | $75,000 | $35 - $150 |
| Economic & Planning Systems | 18% | $75,000 | $30 - $120 |

Breakdown of Proposals Submitted by teams with MBE/WBE participation

Gruen & Gruen
Gruen & Gruen is a certified WBE, had 80% of the original bid, and is an urban economics firm.
McGuire & Company is a certified MBE, had 20% of the original bid, and is a also an urban economics firm.)
Total MBE/WBE participation: 100%
Preference Received: 10%

Polaris R & D
Polaris R & D is a certified MBE, had 54% of the original bid, and is an economic impact consulting firm.
Total MBE/WBE participation: 54%
Preference received: 10%

Sedway & Associates
Sedway & Associates is a certified WBE, had 45% of the original bid, and is an urban land economics consulting firm.
Total MBE/WBE participation: 45%
Preference received: 10%

Grigsby/Graves
Grigsby/Graves is an MBE, had 51% of the original bid, and is a land use and financial planning firm.
Total MBE/WBE participation: 51%
Preference received: 10%

Williams & Kuelbelbeck
Williams & Kuelbelbeck is a majority firm, had 60% of the original bid, and is an economic consulting firm.
Theresa Hughes & Associates is a M/WBE, had 14.6% of the original bid, and is a land use planning firm.
Ackland International is an MBE, had 14.6% of the original bid, and is a cost estimator.
Polaris R & D is a certified MBE, had 10.7% of the original bid, and is an economic analysis firm.
Total MBE/WBE participation: 40%
Preference received: none

Economic and Planning Systems (Selected team)
Economic and Planning Systems is a majority firm, had 55% of the original bid, and is an economic consulting firm.
Vickerman - Zachary - Miller is a majority firm, had 20% of the original bid, and is a maritime and intermodal facilities planning firm.
Dinwiddie and Associates is a M/WBE, had 18% of the original bid, and is a planning and predevelopment consulting firm.
David Evans and Associates is a majority firm, had 7% of the original bid , and is a transportation and environmental planning firm. (The assigned project staff from David Evans, Donna Pittman, is an African-American female).
Total MBE/WBE participation: 18%
Preference received: none

Memo to Budget Committee
February 3, 1993

Item 1d - File 101-91-7.5

**Department:** Fire Department
Department of Public Works, Bureau of Engineering

**Item:** Release of reserved funds for the construction of new cisterns in the Richmond/Sunset/Marina Districts.

**Amount:** $2,964,000

**Source of Funds:** 1986 Fire Protection System Improvement Bonds

**Note:** Mr. Bob Jew of the Department of Public Works reports that this request for release of reserve was submitted in anticipation of the approval of other legislation that has not yet come before the Board of Supervisors. Therefore Mr. Jew requests that the item be filed.

**Recommendation:** File this item as requested by the Department of Public Works.

Memo to Budget Committee
February 3, 1993

Item 1e - File 100-89-1.24

**Department:** Fire Department, Consent Decree Division
Civil Service

**Item:** Release of reserved funds for training

**Amount:** $35,000

**Source of Funds:** $168,000 balance of reserved funds appropriated to the Consent Decree budget for 1989-90

**Description:** In approving the Fire Department's 1989-90 budget for the Consent Decree, the Board of Supervisors reserved $250,000 for training, pending details of the training projects to be provided. The proposed release of reserve would provide funding for a contract for training uniform and civilian employees of the Fire Department in communications skills and teambuilding. The proposed contractor was selected by the Civil Service Commission and will be administered by the Civil Service Commission staff. The Fire Department will workorder the funding to the Civil Service Commission.

The Civil Service Commission selected Ms. Diane Sanchez as the consultant because Ms. Sanchez had just completed another training program for the Fire Department entitled Supervisors as Coaches. The additional training to be performed by Ms. Sanchez is an extension of the Supervisors as Coaches program. According to the Civil Service Commission, Ms. Sanchez is a recognized expert in the field of Affirmative Action and Organizational Development consulting and has the approval of both the Federal Court Monitor (see Comment, below) and the Civil Service Commission to perform the additional training. Although Ms. Sanchez is both a woman and a minority, she is not a resident of San Francisco and therefore is not certified to MBE/WBE status by the Human Rights Commission.

The proposed consultant will provide 53.85 days of service at a daily rate of $650 (approximately $81.25 per hour based on an eight hour day) as detailed in the attached summary submitted by the Civil Service Commission staff.

The objectives of the proposed training program are to improve the ability of all members of the Fire Department to work together effectively and to accept other employees as integral members of the team. Goals of the training program are as follows:

Reinforce the training already received by Fire Department Officers in the "Supervisor as Coach" training program conducted by Civil Service.

Improve the communication skills of individual Fire Department employees and their ability to work together with others as a team.

Reduce incidents of harassment among Fire Department employees by strengthening teamwork and interpersonal communication skills.

**Comment:** The Fire Department is currently operating under a Consent Decree monitored by the Federal Court. According to the Fire Department, on January 19, 1993 the Federal Court ordered the Fire Department to present their Management Plan, that includes the proposed training, to the Federal Court by February 26, 1993 and to show that components of the Management Plan are being implemented.

**Recommendation:** Release the reserve on $35,000 in funding for Consent Decree Division training activities as requested.

Summary of Work to be performed by Diane Sanchez
for the San Francisco Fire Department
in Cooperation with the Civil Service Management
and Employee Development Division

Phase I

Preparation of survey to be distributed to all firefighters; analysis of survey results; preparation of report on survey results, design of workshop materials; meetings with Battalion Chiefs, Chief of Department and other managers to review design and present results of survey; present pilot programs; redesign elements of program if needed.

Total number of days @ $650 per day.....12.35

Phases II and III

Deliver pilot programs (2 days), evaluate results, meet with Director of Training, Civil Service to revise program as needed; teach programs (37 days); meet with Chief of Department, Deputies, Assistant Chiefs and Battalion Chiefs to provide periodic feedback and monitoring of program implementation (2.5 days).

Total number of days @ $650 per day.....41.5

Total number of days: 53.85
Total consultant cost @ $650 per day.....$35,000.00

Memo to Budget Committee
February 3, 1993

Item 2 - File 185-92-5

**Note:** This item was continued at the January 13, 1993 Finance Committee Meeting.

**Department:** Mayor's Office of Children, Youth and their Families (MOCYF)

**Item:** Resolution approving the Fiscal Year 1993-94 Children's Services Plan for the San Francisco Children's Fund in accordance with Charter Section 6.415.

**Description:** Proposition J, commonly known as the "Children's Amendment", that was approved by the electorate in November, 1991 amended Section 6.415 of the Charter to require the establishment of the San Francisco Children's Fund. The San Francisco Children's Fund augments the existing level of expenditures for services and programs for children. The Children's Amendment requires that the City maintain a level of expenditure for children's services which is equal to or greater than the level of expenditure in fiscal year 1990-91 or 1991-92, whichever is greater, and sets aside a certain percentage of property tax revenues to fund additional services above and beyond the level of services funded prior to adoption of the Children's Amendment.

The Children's Fund is funded by an annual set-aside of ad valorem (property) tax revenues in the amount of $0.0125 (one and one quarter cents) per hundred dollars of assessed valuation for Fiscal Year 1992-93 and $0.025 (two and one half cents) per hundred dollars of assessed valuation for Fiscal Year 1993-94 and the eight subsequent fiscal years. The Children's Amendment will expire after a total of ten years.

In 1992, the Controller certified that the City's appropriations for children's services prior to adoption of the Children's Amendment totaled approximately $50 million. This baseline amount of approximately $50 million, represents the required minimum expenditure by the City for children's services in each of the ten fiscal years. Each succeeding year the baseline amount will be adjusted annually by the percentage change in aggregate City appropriations since the base year.

The Children's Fund for Fiscal Year 1992-93 is approximately $5.7 million. Therefore, the total funding for children's services in Fiscal Year 1992-93 is approximately $55.7 million (approximately $50 million baseline plus $5.7 million in the Children's Fund). The Controller's Office

estimates that the ad valorem tax revenue for the Fiscal Year 1993-94 Children's Fund will be approximately $13.2 million.

The Children's Amendment requires that for the first four fiscal years in which monies are set aside, the City must allocate at least 25 percent of the Children's Fund to each of three areas of "eligible services": 1) childcare, 2) health and social services, and 3) job readiness, training, and placement. The balance of not more than 25 percent of the Fund may be used only for libraries, recreation, delinquency prevention, and education programs for children. Beginning with the fifth fiscal year (1996-97), the Board of Supervisors may modify or eliminate these minimum funding requirements. The Children's Amendment does not specify how administrative costs of these programs are to be paid.

The Children's Amendment also requires that the Mayor submit to the Board of Supervisors, by December of each year, a "Children's Services Plan" for the next fiscal year to specify the goals and objectives to be achieved through expenditures from the Children's Fund, to outline proposals for expenditures from the Children's Fund and to recommend City departments to administer the funded programs.

Beginning in fiscal year 1993-94, the Children's Amendment requires a public planning process, in which public hearings are to be held by the Public Health, Juvenile Probation, Social Services, Recreation and Parks, and Public Library Commissions prior to submission of the Mayor's Children's Services Plan to the Board of Supervisors. According to the proposed plan, 19 such public hearings were held in November and December, 1992.

**Proposed Budget:** The funding allocations for Fiscal Year 1992-93 expenditures of the Children's Fund and the proposed Children's Services Plan for 1993-94 reflecting estimated program expenditures from the Children's Fund are as follows:

| SERVICE CATEGORIES | Funding Allocations for FY 1992-93 | Proposed Plan for FY 1993-94 |
|---|---|---|
| **Childcare** | | |
| Vouchers to Parents | $454,764 | $889,764 |
| Provider Center Subsidies | 332,100 | 562,100 |
| SFUSD Children's Centers | 80,000 | 80,000 |
| After School Care Programs | 246,409 | 436,409 |
| Respite Care | 75,000 | 175,000 |
| Day Care Technical Assistance | 37,500 | 37,500 |
| Extended Hours | – | 135,000 |
| S.F.Unified Departmental Services | – | 385,398 |
| Special Needs | 58,829 | 268,829 |
| Total-Childcare | $1,284,602 | $2,970,000 |
| **Health and Social Services** | | |
| Public Health Nurse - AFDC Intake | $22,000 | $22,000 |
| Health Outreach Worker | 22,000 | 22,000 |
| Neighborhood Preventive Health Team | 368,945 | 368,945 |
| Healthy Start Matching Funds | 100,000 | 100,000 |
| Mental Health Centers Outreach | 149,040 | 149,040 |
| GAIN Teen Program | 225,000 | 225,000 |
| Prevention Services | 150,000 | 375,000 |
| Homeless Families | 56,250 | 131,250 |
| Mental Health to Child Care | 147,290 | 147,290 |
| Child Abuse Prevention | 29,817 | 94,817 |
| Parent Education | – | 100,000 |
| S.F.Unified Departmental Services | – | 1,062,800 |
| Special Needs | 46,858 | 171,858 |
| Total-Health and Social Services | $1,317,200 | $2,970,000 |

| | Funding Allocations for FY 1992-93 | Proposed Plan for FY 1993-94 |
|---|---|---|
| **Job Readiness, Training, and Placement** | | |
| Dropout Prevention | $244,822 | $244,822 |
| Job Readiness | 469,183 | 554,183 |
| Foster Children Vocational Counseling | 28,000 | 28,000 |
| Mayor's Youth Employment & Educ. | 300,000 | 535,000 |
| Workreation Expansion | 64,590 | 64,590 |
| Early Exposure - ages 12-14 | 35,510 | 145,510 |
| Job Bulletin | – | 85,000 |
| College Preparatory | – | 100,000 |
| Youth Entrepreneur Projects | – | 85,000 |
| Job Placement | – | 185,000 |
| S.F.Unified Departmental Services | – | 664,285 |
| Special Needs | 143,610 | 278,610 |
| Total-Job Readiness, Training, and Placement | $1,285,715 | $2,970,000 |
| **Library, Recreation, Delinquency Prevention, Education** | | |
| Extended Library Children's Hours | $321,543 | $321,543 |
| Off-site Library Services | 75,000 | 75,000 |
| Age Appropriate Reading Materials | 25,000 | 25,000 |
| Rec/Park Youth Services Planner | 55,878 | 55,878 |
| Teen Multi-Service Centers | 281,254 | 731,254 |
| Tutorials/Peer Support | 263,658 | 373,658 |
| Alternatives to Detention | 130,000 | 280,000 |
| Outdoor Recreation | – | 110,000 |
| Cultural Enrichment | – | 300,000 |
| S.F. Unified Departmental Services | – | 450,766 |
| Special Needs | 116,901 | 246,901 |
| Total Library, Recr., Delinquency Prev., Educ. | $1,269,234 | $2,970,000 |
| **Total Service Categories** | **$5,156,751** | **$11,880,000** |

| | Funding Allocations for FY 1992-93 | Proposed Plan for FY 1993-94 |
|---|---|---|
| **ADMINISTRATIVE COSTS** | | |
| Personnel (salaries and fringe benefits) | $265,541 | $1,084,037 |
| Technical Assistance | 29,084 | – |
| Fiscal/Accounting Services | 36,000 | – |
| Rent, supplies and equipment | 77,576 | 228,963 |
| Miscellaneous | 39,200 | 7,000 |
| **Total Administrative Costs** | **$447,401** | **$1,320,000** |
| **UNALLOCATED** | $95,848 | – |
| **TOTAL CHILDREN'S PLAN** | **$5,700,000** | **$13,200,000** |

**Comments:**

1. According to the proposed Children's Services Plan, some of the proposed expenditures from the Children's Fund can be used to leverage additional funding from Federal, State and other funding sources. The programs listed in the Children's Services Plan which reflect opportunities to receive additional Federal, State or other funding are as follows:

| Program | Recommended Administrator | Proposed Allocation Children's Fund | Source of Additional Funding | Amount of Additional Funding |
|---|---|---|---|---|
| SFUSD Children's Centers | SFUSD | $80,000 | Prop. 98 | $1,500,000 |
| Nurse-AFDC Intake | DSS | 22,000 | CHDP | 22,000 |
| Health Outreach Worker | SFUSD | 22,000 | CHDP | 24,000 |
| Neigh. Prev. Health Team | DPH | 368,945 | CHDP | 50,000 |
| Healthy Start | SFUSD | 100,000 | SB 620 | 300,000 |
| | | | Other Grants | 150,000 |
| GAIN Teen Program | DSS | 225,000 | Title IV | 225,000 |
| Foster Children Voc. Coun. | DSS | 28,000 | FILS | 28,000 |
| Total | | $845,945 | | $2,299,000 |

SFUSD = San Francisco Unified School District
DSS = Department of Social Services
DPH = Department of Public Health
CHDP = State Child Health and Disabilities Program
FILS = Federal Independent Living Skills Program
SB 620 = California Healthy Start Program

BOARD OF SUPERVISORS
BUDGET ANALYST

2. In November 1992, the Board of Supervisors approved a resolution urging the Mayor to utilize the Fiscal Year 1992-93 Children's Services Plan as the foundation for the 1993-94 plan in order to maintain continuity in the provision of services. This resolution also provided that services contracted from community based providers would be provided for an 18 month period from January, 1993 through June, 1994 with the first nine months (January through September 1993) funded from the 1992-93 Children's Fund appropriations and the last nine months (October, 1993 through June, 1994) funded from the 1993-94 Children's Fund appropriation.

3. The proposed Children's Services Plan for 1993-94 is a guideline for implementation of the Children's amendment and does not itself appropriate funds. Appropriation of funds will be accomplished in the regular budget approval process for the City's 1993-94 budget.

4. The Children's Services Plan for 1993-94 includes a total of $2,563,249 that is allocated to the San Francisco Unified Departmental Services fund ($385,398 for Childcare, $1,062,800 for Health and Social Services, $664,285 for Job Readiness, Training, and Placement and $450,766 for Library, Recreation, Delinquency Prevention, Education). These monies will be administered by the MOCYF to obtain children's services provided jointly by San Francisco Unified School District, other City departments and the Private Industry Council (PIC). The proposed Children's Services Plan for 1993-94 does not provide any specifics regarding these joint efforts.

The proposed resolution to approve the Children's Services Plan for 1993-94 was continued at the January 13, 1993 Finance Committee meeting to allow the MOCYF to meet with the San Francisco Unified School District, the other City departments and the Private Industry Council in order to refine the programmatic focus and processes for the use of the $2,563,249 designated for joint efforts. Mr. Frank Grimmelmann of MOCYF indicates that such meetings have occurred and a meeting is scheduled for Tuesday, February 2, 1993. According to Mr. Grimmelmann, MOCYF will present a report to the Budget Committee at the Budget Committee meeting.

**Recommendation:** Approval of the Fiscal Year 1992-93 Children's Services Plan is a policy matter for the Board of Supervisors.

**BOARD OF SUPERVISORS**
**BUDGET ANALYST**

Items 3 and 4 - Files 102-92-13 and 101-92-31

**Note:** These items were continued at the January 27, 1993 Budget Committee Meeting.

**Department:** Mayor's Office of Children Youth and their Families (MOCYF)

**Items:** Ordinance (Item 4, File 102-92-13) to amend the 1992-93 Annual Salary Ordinance to reflect the addition of five positions.

Supplemental Appropriation Ordinance (Item 5, File 101-92-31) to fund the five new positions.

**Amount:** $70,804

**Source of Funds:** Children's Fund for Fiscal Year 1992-93

**Description:** The proposed ordinance (File 102-92-13) to amend 1992-93 Annual Salary Ordinance would create five new permanent positions as follows:

| No. | Classification | Biweekly Salary Range | Maximum Annual Salary at Top Step |
|---|---|---|---|
| 1 | 9786 Assistant to Mayor III | $1,826-1,916 | $50,008 |
| 1 | 9782 Assistant to Mayor I | 1,490-1,564 | 40,820 |
| 1 | 9740 Staff Assist. IV, Spec. Pjt. | 1,682-1,682 | 43,900 |
| 1 | 1632 Sr. Account Clerk | 1,136-1,375 | 35,888 |
| 1 | 1422 Jr. Clerk Typist | 866-1,047 | 27,327 |
| | Total | | $197,943 |

The proposed supplemental appropriation ordinance (File 101-92-31) would fund the proposed five new positions for nine biweekly payperiods from February 25, through June 30, 1993 at Step one (all new positions) plus fringe benefits as follows:

| | |
|---|---|
| Permanent Salaries - Misc. | $63,000 |
| Mandatory Fringe Benefits* | 7,804 |
| Total | $70,804 |

*Mandatory Fringe Benefits exclude Health Insurance which will not begin until August, 1993 in FY 1993-94 and Retirement for the Asst. to Mayor classifications that are not eligible for Retirement benefits.

The proposed source of funds is the Children's Fund including $24,062 in unappropriated revenue of the Children's Fund and $46,742 previously appropriated for Other Contractual Services and designated for administration of the Children's Fund.

Proposition J, commonly known as the "Children's Amendment", that was approved by the electorate in November, 1991, amended Section 6.415 of the Charter to require the establishment of the San Francisco Children's Fund. The San Francisco Children's Fund augments the fiscal year 1990-91 or 1991-92 (whichever was greater) level of expenditures for services and programs for children by requiring that the City set aside a certain percentage of property tax revenues in the Children's Fund to fund additional services for children.

The Children's Fund for Fiscal Year 1992-93 is approximately $5.7 million. The 1992-93 Children's Fund included $3,275,126 for contractual services for the purchase of children's services from community based organization contractors. As a result of a Request for Proposal process, the MOCYF reviewed 170 Statement of Intents and 124 Final Proposals in order to select 40 community based organization contractors. These activities were performed with a staff of 11 plus an ad-hoc (volunteer) advisory panel of 45 members. Drawing up the contracts, continuing monitoring of the contracts and processing payments to the contractors must be performed solely by MOCYF staff. The contracts were scheduled to begin on January 1, 1993. Some of the contracts and some agreements with other City departments have been finalized but most of the contracts and agreements are still being negotiated. MOCYF indicates that the existing staff is working overtime to finalize the remaining contracts and agreements but is counting on the proposed new staff to assist in finalizing the contracts and agreements, as well as establishing the monitoring, reporting and reimbursement systems for all of the contracts and agreements.

The Controller's Office estimates that the ad valorem tax revenue for the Fiscal Year 1993-94 Children's Fund will be approximately $13.2 million. The Children's Services Plan for 1993-94 allocates $7,288,524 of this $13.2 million for contractual services. Thus, the total MOCYF budget and the allocation for contractual services for 1993-94 are more than double the 1992-93 funding level ($13.2 for 1993-94 versus $5.7 for 1992-93 and $7,288,524 versus $3,275,126).

The MOCYF currently has a total City funded staff of ten (one position is funded through the Mayor's Office and the other nine are funded by the Children's Fund). Six of the existing City funded staff are permanent positions including the Director (9792-Asst. to Mayor VI), a Deputy Director (9790-Asst. to Mayor V), two Grant Coordinators (9786-Asst. to Mayor III), a Child Care Coordinator (9784-Asst. to Mayor II) and a Secretary (1446-Secretary II). Four of the existing City funded positions are full time temporary positions. The MOCYF also has some grant funded positions and unpaid volunteers and interns.

Three of the four City funded temporary positions would become permanent positions if the proposed five new positions are approved resulting in a total staff of 12 positions (10 existing permanent positions plus five new permanent positions less three of the old temporary positions that would become three of the new permanent positions).

The proposed five new position functional titles and duties and responsibilities are as follows:

Grant Fiscal Coordinator (9786 Assistant to Mayor III)
This position will be responsible for developing financial reporting systems to disburse Children's Fund monies, for the financial monitoring and implementation of financial systems for all Children's Fund grant (contract) activities including those administered by other City departments that are funded by the Children's Fund, as well as community based organizations.

Planning Coordinator (9782 Assistant to Mayor I)
The Planning Coordinator is responsible for developing the annual Children's Services Plan (CSP) that identifies the goals and priorities for the Children's Fund, conducting the initial stages of implementing the annual CSP including developing the Request for Proposals, coordination with other City departments that will be implementing CSP activities and will assist in the development and implementation of a long range Strategic Plan for Children's Services.

Special Projects Coordinator (9740 Staff Assist. IV, Spec. Pit.)
The Special Projects Coordinator's primary responsibility is the coordination and/or implementation of special projects related to the Children's Fund. Additionally, the Special Projects Coordinator will assist the Department Director with issues related to the administration and implementation of special projects, planning and policy issues.

**Department Accountant (1632 Sr. Account Clerk)**
This position is responsible for reviewing and processing invoices for payment from grantees, for completing other internal accounting forms, maintaining financial records, establishing and maintaining cash internal controls and liaison with other City departments that provide children's services funded by the Children's Fund activities, regarding their financial operations.

**Receptionist/General Office (1422 Jr. Clerk Typist)**
The 1422 Jr. Clerk Typist is responsible for routine clerical and office work including answering phones, typing letters, forms and notices and other general office clerical duties.

**Comment:** These items were continued by the Budget Committee in order to consider alternative means of staffing the MOCYF such as transferring positions from other City departments that provide baseline children's services to the MOCYF. The Mayor's Office reports that they have examined the budgets and staff of other baseline children's services departments to determine if some administrative positions can be transferred to MOCYF, but have not identified any positions that can be transferred at this time. The Mayor's Office further reports that they will continue this examination during the preparation of the Mayor's Budget for 1993-94 to identify positions that could be transferred to the MOCYF.

**Recommendation:** Approval of the proposed ordinances is a policy matter for the Board of Supervisors.

Memo to Budget Committee
February 3, 1993

Item 5 - File 97-92-67

**Note:** This item was continued at the Budget Committee meeting of January 20, 1992.

**Department:** Board of Supervisors

**Item:** Ordinance amending Administrative Code by adding Section 8.37 thereto, authorizing the Clerk of the Board of Supervisors to collect fees to defray the cost of mailing and providing copies of documents relating to the business of the Board of Supervisors.

**Description:** The proposed ordinance would allow the Clerk of the Board of Supervisors to charge and collect fees to defray the cost of the issuance of documents and services. The Budget Analyst's memo dated June 3, 1992, included recommendations on the amount of these fees based upon cost considerations and comparable fees charged by other California counties. Many of these recommended fees by the Budget Analyst have been incorporated into the proposed ordinance. The proposed ordinance does not specify whether these fees would be charged specifically to the public or whether the fees would also be charged to City departments.

The proposed ordinance would authorize the Clerk of the Board of Supervisors to waive, partially or wholly, any of the fees authorized when exigent circumstances arise, such as, but not limited to the need to work cooperatively with other governmental agencies, or the inability of the requesting person to pay for the requested service.

The proposed fees and the projected new revenues that would be generated by the proposed ordinance (based on information gathered by the Clerk of the Board's Office on weekly activities provided to the public) are as follows:

| Item | Proposed Fee | Current Level of Activity | Estimated Annual Revenues |
|---|---|---|---|
| Agenda-Meeting of the Board of Supervisors (weekly mailing, annual subscription) | $120.00 | 70 | $8,400 |
| Agenda-Budget Committee (weekly mailing, annual subscription) | 70.00 | 500 | 35,000 |
| Agenda-Legislative Committee Meetings (regular mailing, annual subscription) | 35.00 | 1,500 | 52,500 |

| Item | Proposed Fee | Current Level of Activity | Estimated Annual Revenues |
|---|---|---|---|
| Minutes-Meeting of the Board of Supervisors (annual subscription) | $240.00 | 30 | $7,200 |
| Minutes-Meeting of the Board of Supervisors (mailing, per copy) | 3.00 | 100 | 300 |
| Legislative packets-meeting of the Board of Supervisors (weekly mailing, annual subscription) | 290.00 | 35 | 10,150 |
| Legislative packet-meeting of the Board of Supervisors (each set) | 4.00 | 50 | 200 |
| Appeal Filing Conditional Use Permit (per filing) | 275.00 | 9 | 2,475 |
| Late Filing-Application for Temporary Street Closure Denial (per filing) | 120.00 | 60 | 7,200 |
| Appeal Filing-Temporary Street Closure (per filing) | 58.00 | 8 | 464 |
| Certification of Documents (per document) | 1.75 | 360 | 630 |
| Photocopies of Pages* | | | |
| First Page | .25 | 5,208 | 1,302 |
| Each Additional Page | .10 | 10,417 | 1,042 |
| **Total Estimated Annual Revenues** | | | **$126,863** |

* The total number of estimated annual occurrences for photocopying pages is 15,625. The amount of estimated revenues assumes each document copied is three pages in length. Assuming each document copied on average is four pages in length, then estimated annual revenues would be $2,149.

**Comments:**

1. As noted above, the estimated revenues are based upon current weekly activities for the public provided by the Deputy Clerks of the Board. However, if the Clerk of the Board begins charging for these services, it is likely that the current level of activities for the public would decrease, and therefore the total estimated revenues would also decrease. The level of activities for the public, and the amount of fees which would be waived for these services, cannot be determined at this time. The total estimated $126,863 in revenues detailed above are the maximum revenues which would be generated from

the proposed ordinance based on current activity levels. Mr. John Taylor, Clerk of the Board reports that there would be a substantial decrease in the level of activities if the Clerk of the Board charged for these services. Mr. Taylor estimates that the revised estimates would be as follows:

| Item | Proposed Fee | Revised Estimated Quantity | Revised Estimated Annual Revenues |
|---|---|---|---|
| Agenda-Meeting of the Board of Supervisors (weekly mailing, annual subscription) | $120.00 | 25 | $3,000 |
| Agenda-Budget Committee (weekly mailing, annual subscription) | 70.00 | 130 | 9,100 |
| Agenda-Legislative Committee Meetings (regular mailing, annual subscription) | 35.00 | 130 | 4,550 |
| Minutes-Meeting of the Board of Supervisors (annual subscription) | 240.00 | 10 | 2,400 |
| Minutes-Meeting of the Board of Supervisors (mailing, per copy) | 3.00 | 50 | 150 |
| Legislative packets-meeting of the Board of Supervisors (weekly mailing, annual subscription) | 290.00 | 10 | 2,900 |
| Legislative packet-meeting of the Board of Supervisors (each set) | 4.00 | 15 | 60 |
| Appeal Filing Conditional Use Permit (per filing) | 275.00 | 9 | 2,475 |
| Late Filing-Application for Temporary Street Closure Denial (per filing) | 120.00 | 60 | 7,200 |
| Appeal Filing-Temporary Street Closure (per filing) | 58.00 | 8 | 464 |
| Certification of Documents (per document) | 1.75 | 100 | 175 |
| Photocopies of Pages* | | | |
| First Page | .25 | 750 | 188 |
| Each Additional Page | .10 | 1,250 | 125 |
| **Total Revised Estimated Annual Revenues** | | | $32,787 |

Whether or not there would be a substantial decrease in the level of activities if the Clerk of the Board begins charging for these services cannot be determined at this time.

2. The Attachment to this report provides a comparison of the fees for the services charged by sixteen California counties. The fees charged by these other counties were the basis for the Budget Analyst's recommendations on the amount of fees to charge, many of which are incorporated into the proposed ordinance. As noted on the Attachment, each county surveyed, including all of the Bay area counties, already charges fees for services provided by the Clerk of the Board's Office.

3. Enterprise fund departments such as the Airport, Port and Hetch Hetchy, reimburse the General Fund for administrative costs through the City's Cost Allocation Plan. According to the State Government Code, general government costs, such as costs incurred by the Clerk of the Board, may not be recovered from the public through the Cost Allocation Plan. The proposed ordinance would allow the Clerk of the Board to defray these costs which cannot currently be recovered under the City's Cost Allocation Plan. According to Mr. John Madden of the Controller's Office, the annual revenues would be treated as Board of Supervisors departmental revenues of the City's General Fund.

**Recommendation:** Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

| | Agenda Full Board | Agenda Committees | •Proceedings | Copies of •Packets | Ordinances | Research |
|---|---|---|---|---|---|---|
| Alameda | $110/yr<br>NPO: $55/yr | N/A | $1.50/1st pg<br>50¢/add'l pp | $1.50/1st pg<br>50¢/add'l pp | $1.50/1st pg<br>50¢/ add'l pp | $3.50/15 min |
| Alpine | $10/yr | N/A | $25/yr | 25¢/pg | 25¢ pg | $5/file |
| Colusa | SASE | SASE | SASE | N/C | 50¢/pg | N/C |
| Humboldt | $22.80/6 mos<br>$45.60/yr | N/A | $22.80/6 mos<br>$45.60/yr | 3¢/pg | 10¢/pg | N/C |
| Los Angeles | SASE | N/A | N/C | N/C | 10¢/pg | $11/15 min |
| Madera | $24/yr<br>$2/mo | N/A | $1/1st pg<br>20¢/add'l pp | N/C | N/C | N/C |
| Marin | $35/yr, general<br>(N/C: press, gov't) | N/A | $63/yr, inc. agenda<br>(N/C: press, gov't) | N/C (available to press only) | 25¢/pg | $6.40/15 min |
| Mendocino | N/C | N/A | $2/set or<br>25¢/pg | 10¢/pg | 25¢/pg, gen'l<br>10¢/pg, press | N/C |
| Monterey | $24/yr, general<br>(N/C: press, gov't, single requests) | N/A | $24/yr, general | N/C | N/C | N/C |
| Napa | $50/yr | N/A | $125/yr | $600/yr | 20¢/pg<br>$1/pg from microfilm | Actual staff service cost |
| Riverside | SASE | N/C | N/C | N/A | 10¢/pg<br>50¢/research | $5/file minimum |
| Sacramento | $138/yr | N/A | $1.50/1st pg<br>20¢/add'l pp | N/C | $1.50/1st pg<br>20¢/add'l pp | $5/15 min |
| San Diego | $10/yr | N/A | $25/yr | N/A | 25¢/pg | $5/file |
| San Mateo | $50/yr | N/A | N/C | N/A | 20¢/pg | N/C |
| Santa Clara | N/C | N/C | N/C | N/A | N/C | N/C |
| Sierra | $30/yr | N/A | $70/yr | 50¢/pg | 25¢/pg | N/C |

Legend: N/C: no charge; SASE: self-addressed stamped envelope; N/A: not applicable (service not provided); NPO non-profit organization.

| | Copies of Tape Recordings* | Planning Appeals | letter & legal sized Photocopies | Notes |
|---|---|---|---|---|
| Alameda | $40/hr<br>tape: $5 | N/C | $1.50/1st page<br>50¢/add'l pp | |
| Alpine | $10 | $50 | 25¢/pg | |
| Colusa | tape: $3.00 | $250 | 50¢/add'l pp | No fees charged to any government representative |
| Humboldt | $22/hr<br>tape: $1.50 | N/C | 10¢/pg | |
| Los Angeles | $8 w/o tape<br>$9 with tape | 40¢/sq ft<br>$8 svc. chg. | N/C | |
| Madera | N/A | N/C | $1/1st pg; 20¢/add'l pp | |
| Marin | $10<br>tape: $3.50 | N/C | 25¢/pg | |
| Mendocino | Minimum: $10 | $140 | 25¢ public documents<br>50¢ private documents | |
| Monterey | $5 | $50 | $1/1st pg; 50¢/add'l pp | |
| Napa | $15 | N/C | 20¢/pg | |
| Riverside | $12.50<br>including tape | $415 | 10¢/pg<br>15¢/double-sided | Riverside has not increased its fees in ten years. |
| Sacramento | $6.50<br>tape: $3.50 | $1,871 | $1.50/1st copy<br>30¢/add'l identical copies | |
| San Diego | $10 | $500 | 25¢/pg | San Diego is currently updating its fee schedule |
| San Mateo | $3<br>tape: $2 | N/C | 20¢/pg | |
| Santa Clara | N/C | $305 | $1.70 fee + 5¢/pg | |
| Sierra | $10 hr | $200 | 25¢/pg | |

*Tape not included unless otherwise noted

Legend: N/C: no charge; SASE: self-addressed stamped envelope; N/A: not applicable (service not provided); NPO: non-profit organization.

Item 6 - File 12-93-4

1. The proposed resolution would authorize the State legislative representative (i.e. the City's State lobbyist) to advocate for the City's ability to generate local revenues (AB 1930 one-half cent Sales Tax and to extend the City's Payroll and Gross Receipts Tax to banks and savings and loan associations).

2. The Attachment to this report is the Budget Analyst's memo to the Budget Committee meeting of January 27, 1993 pertaining to a resolution (File 175-93-1) which would declare the intent of the Board of Supervisors to propose an increase in the transactions and use tax (i.e. Sales Tax) through the establishment of the San Francisco County Public Finance Authority. As noted in the Attachment, an estimated $45,320,000 in additional annual revenues to the City are anticipated to be generated from an increase in the Sales Tax rate of 0.5 percent. However, State legislation requires that 90 days elapse before San Francisco can begin collection of the increased Sales Tax. The proposed resolution would authorize the City's State lobbyist to pursue an amendment which would eliminate this delay.

3. State law currently exempts banks and savings and loan associations from the payment of local taxes. Instead, the banks and savings and loan associations pay a State Bank Tax "in-lieu" of the City's Payroll/Gross Receipts Tax. The proposed resolution would authorize the City's State lobbyist to advocate for State legislation that would permit the City to impose the Payroll/Gross Receipts Tax on banks and savings and loan associations, by repealing the current State Bank Tax payable by banks and savings and loan associations.

4. Currently, businesses subject to the Payroll/Gross Receipts Tax must pay the higher of either 1.5 percent of their total payroll or, for most business, $3.00 per $1,000 of gross receipts, except for businesses with a calculated tax liability of $2,500 or less which are exempt from this tax. According to Mr. Richard Sullivan of the Tax Collector's Office, the revenues generated by imposing the Gross Receipts Tax on banks and savings and loan associations would depend upon how gross receipts are defined and applied to these businesses. The Controller's Office reports that the current State Bank Tax is 1.807 percent of net income. However, whether the local Gross Receipts Tax rate would be higher or lower than the current State Bank Tax depends upon the proportion of gross receipts that are net income.

5. Based upon total payroll data provided by the State of California, Employment Development Department, it is estimated that a maximum of $20.5 million in annual revenues to the City would be generated by imposing the City's Payroll and Gross Receipts Tax on banks and savings and loan associations in San Francisco. However, Mr. Sullivan reports that the Employment Development Department payroll data is not adjusted for work performed outside San Francisco, and therefore, the estimated annual revenues received would actually be less than $20.5 million. It is uncertain whether banks and savings and loan associations would transfer their operations to areas outside of San Francisco to avoid this local tax, or whether other cities would impose payroll and gross receipt taxes at rates comparable to San Francisco.

**Recommendation**

Approval of the proposed resolution, which would authorize the State legislative representative to advocate for the City's ability to generate local tax revenues, is a policy matter for the Board of Supervisors.

Memo to Budget Committee
January 27, 1993

Item 12 - File 175-93-1

1. The proposed resolution would (a) declare the intent of the Board of Supervisors of the City and County of San Francisco to propose an increase in the transactions and use tax (i.e. Sales Tax) in the City and County pursuant to Chapter 3.5 of the Revenue and Taxation Code, and (b) establish the San Francisco County Public Finance Authority (Public Finance Authority).

2. The Sales Tax rate which can be imposed within the State of California can be allocated into three distinct components: the State of California rate, the Bradley-Burns uniform local rate, and the optional locally imposed transaction and use tax rate. The proposed resolution would declare the intent of the Board of Supervisors to increase the transactions and use tax rate specifically, which hereafter will be referred to as the Sales Tax.

3. AB 1930 is the bill which authorizes counties to increase the transactions and use component of the overall Sales Tax rate for the purpose of financing drug abuse prevention, crime prevention, health care services, and public education. AB 1930 provides the following:

- Counties may adopt a resolution by either or both a) a majority of the county Board of Supervisors, or b) by a majority of both the Board of Education of the San Francisco Unified School District and the Board of Governors of the Community College District, which declares an intent to propose an increase in the transactions and use tax rate (i.e. Sales Tax rate) and to establish a Public Finance Authority. A Public Finance Authority is established for the purpose of recommending a sales tax increase to the voters and for determining the distribution of the new revenues resulting from the sales tax increase.

- The Public Finance Authority would be governed by a 10-member Board of Directors consisting of five members of the Board of Supervisors and a total of five members from both the Unified School District and the Community College District. The proposed resolution specifies that the San Francisco Board of Supervisors would elect five of its eleven members to serve on the Board of Directors of the Public Finance Authority.

- Counties can increase the Sales Tax rate by either 0.25 percent or 0.5 percent provided both of the following occurs: a) an ordinance is approved by a two-thirds vote of the Public Finance Authority which specifies how the proceeds will be spent (i.e. drug abuse prevention, crime prevention, health care services and public education), and b) the proposed Sales Tax rate increase is approved by a majority of the qualified voters.

4. On January 12, 1993, the Board of Education of the San Francisco Unified School District approved a resolution which declares its intent to increase the Sales Tax rate by either 0.25 percent or 0.5 percent and authorizes the creation of the San Francisco County Public Finance Authority. The current 0.25 percent Sales Tax surcharge for the Unified School District and the Community College District will expire on June 30, 1993. The Public Financing Authority would be established upon adoption of a similar resolution by the Board of Governors of the Community College District. According to Mr. Bob Golton of the San Francisco Unified School District, the rate of the proposed increase in the Sales Tax and the allocation of the Sales Tax proceeds from the increased rate would be decided by the Public Finance Authority.

5. The total current Sales Tax rate is 8.5 percent in San Francisco. The proceeds from this tax are distributed as follows:

| Portion of 8.5 percent Sales Tax Rate | Distributed to |
|---|---|
| 6.0 percent | Current total to State of California; includes a 4.75 % base rate; 0.5% temporary surtax; 0.25% temporary surtax; 0.5% dedicated to realignment. |
| 1.0 percent | Amount provided to City and County General Fund; 1993-94 projected is $90,640,000. |
| 0.5 percent | County Transportation Commission |
| 0.25 percent | Statewide County Transportation |
| 0.5 percent | Bay Area Rapid Transit District |
| 0.25 percent | Surtax, expiring 6/93, dedicated to the San Francisco Unified School District and the San Francisco Community College District |
| 8.5 percent | Total Sales Tax Rate in San Francisco County |

6. Based on information provided by the State Board of Equalization, on July 15, 1991, a Sales Tax increase became effective which increased the total State-allocated Sales Tax by 1.25 percent, from the 4.75 percent base rate to 6.0 percent. The Governor's FY 1993-94 budget indicates that the 0.5 percent temporary surtax noted above in the 6.0 percent portion of the Sales Tax allocated to the State of California would not be extended past its June 30, 1993 sunset date. The Governor's proposal is preliminary, and subsequent State legislation, if approved, may extend the 0.5 percent temporary sales tax. As noted above, the current 0.25 percent surtax for the San Francisco Unified School District and the San Francisco Community College District also expires on June 30, 1993. Therefore, depending upon the State Legislature, and depending on the approval of this proposed resolution and the approval of the San Francisco electorate, the following scenarios could result:

a) 8.25 percent. This Sales Tax rate would result if the proposed resolution is adopted which would enable the Public Finance Authority, with the approval of the voters, to increase the sales tax by up to 0.5 percent, and the Governor's proposed elimination of the State 0.5 percent surtax is approved by the State legislature (local 0.25 percent rate for schools expires).

b) 7.75 percent. This Sales Tax rate would result if the Governor's proposed elimination of the State's 0.5 percent surtax is approved by the State Legislature, and the San Francisco voters do not approve the increase in the Sales Tax rate by 0.5 percent (local 0.25 percent rate for schools expires).

7. Mr. Greg Ridenour of the Registrar of Voters reports that a special election would require a notice of 88 days after the Board of Supervisors calls for the special election. Mr. Ridenour estimates that a special election could cost the City up to $1 million, depending on the number of initiatives which are placed on the ballot. AB 1930 specifies that the any increase in the Sales Tax rate must be approved by a majority of the qualified voters of that county. However, the City Attorney's Office states a two-thirds voter approval is required (see Comment No. 10). AB 1930 also indicates that the costs of a special election could be reimbursed from the proceeds generated from the Sales Tax rate increase. Therefore, if the voters do not approve the increase in the Sales Tax rate, an additional cost of up to $1 million would be incurred by the City. However, if the special election is called as part of the November, 1993 ballot, the additional costs incurred would only be the minimal costs associated with additional voter pamphlet mailing and printing costs.

8. The existing Sales Tax rates for San Francisco and other Bay area counties, as well as Los Angeles County, are as follows:

| County | Current Tax Rate | Sales Tax Rate With Proposed 0.5 percent Increase in San Francisco but Without State 0.5 percent Surtax |
|---|---|---|
| **San Francisco** | **8.5 percent** | **8.25 percent*** |
| Alameda | 8.25 percent | 7.75 percent |
| Contra Costa | 8.25 percent | 7.75 percent |
| Marin | 7.25 percent | 6.75 percent |
| San Mateo | 8.25 percent | 7.75 percent |
| Santa Clara | 8.25 percent | 7.75 percent |
| Solano | 7.25 percent | 6.75 percent |
| Sonoma | 7.50 percent | 7.00 percent |
| Los Angeles | 8.25 percent | 7.75 percent |

* Includes proposed 0.5 percent local Sales Tax increase (allocated to both the City and County and the Board of Education and the Community College District), and does not include the current .25 percent surtax for the San Francisco Unified School District and the San Francisco Community College District, which expires on June 30, 1993.

9. As noted above, if the State eliminates the 0.5 percent surtax and if San Francisco increases the Sales Tax by an additional 0.5 percent, to be allocated to the City and County and to the Board of Education and the Community College District, the total proposed Sales Tax rate for San Francisco would be 8.25 percent, which would be 1.5 percent higher than the proposed Marin County Sales Tax rate of 6.75 percent, and 0.5 percent higher than the other Bay Area counties including San Mateo, Alameda, Santa Clara and Contra Costa Counties. As noted, the difference between the Sales Tax in San Francisco and other counties assumes that San Francisco would be the only county which increases its Sales Tax.

10. Mr. David Oppenheim of the California State Association of Counties (CSAC) reports that as a result of recent a) litigation, b) legislation, c) a voter approved initiative and d) contradictory legal opinions, the requirements which a county must follow to increase the Sales Tax rate are now very unclear. In addition, Mr. Oppenheim reports that it is also unclear as to whether or not counties may increase a Sales Tax rate with a majority vote or whether a two-thirds voter approval is required, based upon recent court decisions in San Diego and Woodlake.

Therefore, Mr. Oppenheim indicates that CSAC policy is that the State Revenue and Taxation Code needs to be amended for counties to have any clear authority to increase a Sales Tax rate locally.

Ms. Angela Karikas of the City Attorney's Office has indicated that a two-thirds majority of the voters would be required to increase the Sales Tax rate for the specific purpose of public education, drug abuse prevention and health care services.

11. According to Mr. Oppenheim, there is current State legislation which is being discussed which would clarify the requirements for increasing a local Sales Tax rate. Mr. Oppenheim adds that most counties in California are not considering increasing the Sales Tax rate until these legislative ambiguities are clarified. Based upon inquiries to the Regional County Offices of the State Board of Equalization, neither Marin, San Mateo, Alameda nor Santa Clara counties are proposing to increase their local Sales Tax rate at this time. Therefore, if the Sales Tax rate is increased by 0.5 percent for San Francisco, the Sales Tax rate for San Francisco will be the highest of the adjoining counties in the Bay area.

12. According to Ms. Sue Lee of the San Francisco Chamber of Commerce, the Chamber of Commerce has not yet developed an official position on the proposed Sales Tax rate increase, or determined the impact on businesses if the Sales Tax rate is increased by 0.5 percent. However, Ms. Lee notes that the Chamber of Commerce had previously remained neutral on the 0.25 percent Sales Tax rate for the San Francisco Unified School District and the Community College District.

13. Based upon the revenue projections for FY 1993-94 included in the "Joint Report on the Anticipated Revenue Shortfall for the Fiscal Year 1993-94 Budget" by the Controller, the Mayor's Co-Budget Directors and the Budget Analyst, dated January 15, 1993, a revenue shortfall of $184 million is projected for FY 1993-94. This revenue shortfall is based upon the most recent revenue data, the Governor's State budget proposal (which includes an estimated $72 million in reductions for San Francisco) and preliminary estimates of the City's expenditure requirements for FY 1993-94.

14. As noted above, in order to hold a special election, an 88 day notice is required beginning from the date the special election is called for by the Board of Supervisors. In addition, AB 1930 requires 90 days before the increased Sales Tax rate can be imposed. The additional revenues which are anticipated to be generated from increasing the local Sales Tax rate by one half cent (0.5 percent) are an estimated $45,320,000 annually, based on the FY 1993-94 revenue projections contained in the Controller's, the Mayor's Co-Budget Directors' and the Budget Analyst's joint report. However, given the requirements of the special election and a 90 day State requirement before these revenues could be imposed, estimated revenues for FY 1993-94 would amount to $33,990,000 (effective 10/1/93) if the special election were held no later than June, 1993, and an estimated $11,330,000 (effective 4/1/94) if the special election was held in November, 1993. In addition, it is possible that actual revenues received in FY 1993-94 could be reduced if consumers travel to other areas to purchase goods and services, given the difference between the Sales Tax rate in San Francisco and the Sales Tax rate in surrounding

counties. According to Mr. Ed Harrington, the Controller, San Francisco could request that the State adopt legislation which would expedite the 90 day State requirement in order to begin imposing a new Sales Tax in July, 1993, rather than having an effective date in October, 1993, which has been done with previous local Sales Tax increases.

## Recommendation

Approval of the proposed resolution, which would declare the intent of the Board of Supervisors to propose an increase in the transactions and use tax (Sales Tax) rate and establish the San Francisco County Public Finance Authority, is a policy matter for the Board of Supervisors.

Memo to Budget Committee
February 3, 1993

Items 7 and 8 - Files 101-92-26 and 102-92-11

**Note:** These items were continued at the January 27, 1993 Budget Committee Meeting.

**Department:** Superior and Municipal Courts

**Items:** Item 9 (File 101-92-26) is a supplemental appropriation ordinance to fund the increased salary of the proposed position reclassification.

Item 10 (File 102-92-11) is an ordinance to amend the Annual Salary Ordinance to reclassify one position in the Superior Court.

**Amount:** $5,450

**Source of Funds:** Reappropriation of excess salary savings in the Superior Court Permanent Salaries account.

**Description:** The proposed ordinance (File 102-92-11) to amend the Annual Salary Ordinance would reclassify one Superior Court position as follows:

| Action | Classification | Biweekly Salary Range | Maximum Salary at Top Step |
|---|---|---|---|
| Delete | 0555 Executive Officer | $3,263-3,777 | $98,580 |
| Add | 0555 Chief Executive Officer | 3,633-4,215 | 110,012 |
| | Proposed Annual Salary Increase | | $11,432 |

The proposed supplemental appropriation ordinance (File 101-92-26) would reappropriate monies in the Superior Court's Permanent Salary account that represent salary savings in excess of the Superior Court's 1992-93 budgeted requirement for salary savings. The proposed supplemental appropriation ordinance would fund $4,656 for the increased salary of the reclassified position at the top step for 10.6 biweekly payperiods from February 3, through June 30, 1993 plus fringe benefits of $794. The Superior and Municipal Courts intend to fill this position at the top step.

Pursuant to the 1991 Trial Court Realignment Act, the Superior and Municipal Courts have been in the process of reorganizing into one entity in accordance with the Coordination Plan submitted to the State in 1992. The Coordination Plan calls for establishing a Chief Executive

Officer to oversee the reorganization of the two courts into one entity.

The Superior and Municipal Courts propose that the existing Executive Officer (department head) position of the Superior Court (that is currently filled on a temporary basis) be upgraded to Chief Executive Officer of the combined Superior and Municipal Courts. The proposed upgraded Chief Executive Officer would be responsible for both the previous duties of the Executive Officer of the Superior Court plus additional duties related to administering the combined Superior and Municipal Courts. The existing Clerk/Administrator (department head) position for the Municipal Court would not change.

The proposed reclassification would change the title of the Executive Officer of the Superior Court to the title of Chief Executive Officer. According to the Superior and Municipal Courts, the Chief Executive Officer position will entail a larger scope of responsibilities over the combined courts than the existing Executive Officer position that is only responsible for the administration of a single court and therefore, should be compensated at a higher salary rate. As previously stated, the annual salary of the Chief Executive Officer position would increase by $11,432 from $98,580 to $110,012 at the top step.

**Comments:**

1. The Presiding Judge of the Superior Court states that the proposed upgraded Chief Executive Officer position is critical to the coordination and combining of the Superior and Municipal Courts into one entity. According to the Presiding Judge, the Chief Executive Officer will be responsible for continuing the reorganization of the Superior and Municipal Courts in order to comply with the requirements of the 1991 Trial Court Realignment Act.

2. The Superior and Municipal Courts report that a candidate for the proposed 0555 Chief Executive Officer position has been selected and is expected to begin employment on February 3, 1993, subject to approval of this legislation by the Board of Supervisors.

3. The Superior and Municipal Courts have submitted the attached list of department heads' salaries for certain mid-size City departments. Employees of the Superior and Municipal Courts include 64 Judges and Court Commissioners plus 576 other employees for a total of 640 employees. According to the Attachment, although all of the other departments listed have fewer employees than the

combined total of employees of the Superior and Municipal Courts, the department heads in three of the other departments have salaries greater than the proposed salary level for the Chief Executive Officer position.

4. These items were continued in order for the Superior Court to determine if the prospective candidate for the Chief Executive Officer position would agree to a salary of less than the proposed top step salary of $110,012. The Superior Court reports that it will be meeting with the prospective candidate late in the afternoon of Monday, February 1, 1993 and that the results of this meeting will be communicated directly to the Budget Committee on February 3, 1993.

5. An alternative to hiring the new Chief Executive Officer at the top (fourth) step (positions in the Superior Court have only four steps) would be to hire the new Chief Executive Officer at a lower step. At the third step the annual salary would be $104,948 and the required supplemental appropriation could be reduced by $2,426 from $5,450 to $3,024. At the second step the annual salary would be $99,885 and the required supplemental appropriation could be reduced by $4,830 from $5,450 to $620. As previously noted, the amount requested under this proposed legislation is only to pay the salary differential and corresponding fringe benefits for the balance of the 1992-93 fiscal year.

6. The earliest that the proposed new position could be finally approved is February 15, 1993. Therefore, the amount of the proposed supplemental appropriation should be reduced from 10.6 to 9.8 biweekly payperiods to provide the needed funds for the period from February 15, through June 30, 1993. Should the Committee decide to approve a pay step lower than the top step, this request should also be reduced as follows:

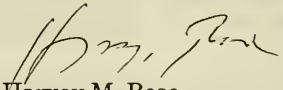
| | Biweekly | Proposed Funding | | Required Funding | | |
|---|---|---|---|---|---|---|
| Step | Salary | Salary | Fringes | Salary | Fringes | Savings |
| 2 | $3,827 | $4,656 | $794 | $490 | $84 | $4,876 |
| 3 | 4,021 | 4,656 | 794 | 2,391 | 408 | 2,651 |
| 4 (top) | 4,215 | 4,656 | 794 | 4,292 | 732 | 426* |

* Savings is for payperiods only.

7. The Superior and Municipal Courts have already been reorganizing into one entity without this upgraded salary request. Therefore, the Budget Analyst concludes that this proposal to upgrade the salary of one of the department head positions is a policy matter for the Board of Supervisors since the Superior and Municipal Courts will continue to have two department heads.

**Recommendations:** 1. Approval of the proposed ordinances to upgrade a department head position salary by $11,432 from $98,580 to $110,012 (at the top step) is a policy matter for the Board of Supervisors.

2. Should the Board of Supervisors approve the proposed ordinances, the proposed supplemental appropriation ordinance (File 101-92-26) should be amended to provide funding for 9.8 biweekly payperiods from February 15, through June 30, 1993. If the Chief Executive Officer position is not approved at the top step, this ordinance should be further amended to provide the needed funds for the balance of the fiscal year. The amended amount, as shown in Comment No. 6 on the prior page, would be based on the specific salary step approved by the Board of Supervisors.



Harvey M. Rose

cc: Supervisor Migden
Supervisor Hsieh
Supervisor Shelley
President Alioto
Supervisor Achtenberg
Supervisor Bierman
Supervisor Conroy
Supervisor Hallinan
Supervisor Kaufman
Supervisor Kennedy
Supervisor Maher
Clerk of the Board
Chief Administrative Officer
Controller
Jean Mariani
Barbara Kolesar
Ted Lakey

Attachment

CITY AND COUNTY OF SAN FRANCISCO
DEPARTMENT HEAD SALARIES

| DEPARTMENT | # OF EMPLOYEES | TITLE | SALARY RANGE |
|---|---|---|---|
| Water Department | 530 | Department General Manager and Chief Engineer | $94,068-114,322 |
| Sheriff's Department | 540 | Sheriff | 100,464-100,464 |
| Parking Authority | 483 | Director, Parking and Traffic Commission | 83,642-101,660 |
| Library | 340 | City Librarian | 84,838-103,116 |
| Purchasing | 207 | Director of Purchasing and Services | 83,642-101,660 |
| Port | 250 | Port Director | 106,132-128,986 |
| Community Mental Health | 614 | Deputy Director of Mental Health | 96,824-117,702 |

SF
S90.07
#2

CALENDAR Action Taken

DOCUMENTS DEPT.
AUG 27 1996
SAN FRANCISCO
PUBLIC LIBRARY

2/10/93

MEETING OF
BUDGET COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

WEDNESDAY, FEBRUARY 10, 1993 - 2:00 P.M. ROOM 228, CITY HALL

PRESENT: SUPERVISORS MIGDEN, HSIEH, SHELLEY

CLERK: KAY GULBENGAY

NOTE: Copies of the Budget Analyst's Report will be available for review on the counter in the Office of the Clerk of the Board, Room 235, City Hall, 10:00 a.m., the date of the meeting.

CONSENT CALENDAR

1. All matters listed hereunder constitute a Consent Calendar, are considered to be routine by the Budget Committee, and will be acted upon by a single roll call vote of the Committee. There will be no separate discussion of these items unless a member of the Committee or a member of the public so requests, in which event the matter shall be removed from the Consent Calendar and considered as a separate item.

(a) File 94-91-8.2. [Release of Funds] Requesting release of reserved funds, Public Utilities Commission, in the amount of $1,678,392, for project design and administration and indirect costs, for the following fixed facility rehabilitation projects (various locations emergency generators, cable car paint booth, LRV dom removal, LRV sand dispenser, various locations/gilley rooms, subway emergency lighting, Woods yard drainage, various locations trash compactors, Woods carpentry shop ventilation, and Woods transportation heating and ventilation.) (Public Utilities Commission)

ACTION: Release of $1,678,392 recommended. Filed.

2. File 101-90-57.3. [Release of Funds] Requesting release of reserved funds, Airports Commission, in the amount of $6,633,375 for infrastructure repair and maintenance contract. (Airports Commission)
(Continued from 2/3/93)

ACTION: Hearing held. Release of $5,829,607. Filed.

3. File 79-92-3.1. [Release of Funds] Requesting release of reserved funds, Mayor's Office of Community Development, in the amount of $86,359, public service funding for the Mayor's Office of Children, Youth and Their Families. (Mayor's Office of Community Development)
(Continued from 1/20/93

ACTION: Hearing held. Continued to February 24, 1993 meeting.

4. File 102-92-15. [Public Employment] Ordinance amending Annual Salary Ordinance, 1992-93, Mayor's Office, reflecting the addition of two positions (Classification 9736 Staff Assistant II, Special Project)
(Civil Service Commission)

ACTION: Hearing held. Continued to February 24, 1993 meeting.

5. File 101-92-36. [Government Funding] Ordinance appropriating $100,000, Mayor's Office - OCD, for permanent salaries and related mandatory fringe benefits, other services and equipment purchase, for the creation of two positions; companion measure to File 102-92-15. RO #92155
(Controller)

ACTION: Hearing held. Continued to February 24, 1993 meeting.

6. File 207-92-11. [911 Funding] Resolution urging the Mayor to authorize sufficient funding in the 1992-93 Police Department budget to fully staff the communications center. (Supervisors Shelley, Gonzalez)

(Transferred from Health and Public Safety Committee 1/26/93 - Fiscal Impact)

ACTION: Hearing held Amended (in title) line 2 by replacing "1992-93" with "1993-94".
New Title: "Urging the Mayor to authorize sufficient funding in the 1993-94 Police Department budget to fully staff the communications center." (Supervisors Shelley, Gonzalez)
Recommended as amended.

7. File 100-93-2. Hearing to consider Joint Report by Mayor, Controller, and Budget Analyst regarding the 1993-94 fiscal budget year projected revenues and expenditures. (Supervisor Migden)
(Continued from 1/27/93)

ACTION: Hearing held. Continued to February 17, 1993 meeting.

City Report

CITY AND COUNTY OF SAN FRANCISCO

# BOARD OF SUPERVISORS

BUDGET ANALYST
1390 MARKET STREET, SUITE 1025
SAN FRANCISCO, CALIFORNIA 94102 • TELEPHONE (415) 554-7642

February 8, 1993

**TO:** Budget Committee

**FROM:** Budget Analyst

**SUBJECT:** February 10, 1993 Budget Committee Meeting

Item 1 - File 94-91-8.2

**Department:** Public Utilities Commission (PUC)

**Item:** Requesting release of reserved funds for project management, design engineering services, construction engineering and related costs for fixed facility rehabilitation projects including emergency generators at various locations, cable car paint booth, Light Rail Vehicle (LRV) dome removal, LRV sand dispenser, gilley room (assembly and waiting area for transit operators) improvements at various locations, metro subway emergency lighting, Woods Facility yard drainage, trash compactors at various locations, Woods Facility carpentry shop heating and ventilation improvements, and Woods Facility transportation heating and ventilation improvements.

**Amount:** $1,678,392

**Source of Funds:** Urban Mass Transportation Administration (UMTA) Section 9 Formula Assistance Grant Funds

**Description:** In January of 1992, the Board of Supervisors approved Resolution No. 3-92 (File No. 94-91-8) authorizing the PUC to apply for, accept, and expend UMTA Section 9 Formula Assistance Funds in the amount of $26,819,276 and also approved $6,704,819 from various local match sources. The total sum of $33,524,095 was placed on reserve, pending submission of detailed project budgets.

The proposed release of $1,678,392 out of prior reserved grant funds of $33,524,095 would provide for costs associated with project management, design engineering, construction engineering services and related costs for projects as follows (none of these costs are for actual construction costs):

**Emergency Generators at Various Locations** **$269,262**

Because the Municipal Railway provides transit service 24 hours per day and seven days per week, transit vehicles must be available on a continuous basis. In order for such service to be available, it is necessary to upgrade existing emergency generators and to install emergency generators at those facilities which lack generators.

**Cable Car Paint Booth** **$110,198**

This project provides for the construction of a paint booth at the Cable Car Barn. At the present time, in order to completely paint a cable car, the car must be transported across the City to another facility which has a paint booth. The design for the proposed paint booth would meet current industrial and environmental regulations.

**Light Rail Vehicle (LRV) Dome Removal** **$61,257**

This project would furnish and install a Light Rail Vehicle (LRV) Dome Removal System at the Curtis E. Green Light Rail Facility at the Geneva Car Barn. At the present time, the removal of the dome over the articulated section of a LRV can only be performed at the Main Maintenance Building of the Green Light Rail Facility. This project will allow for the removal of the dome and allow repair work on the articulated section to be performed at both rail facilities. This addition will result in improved productivity at both sites.

**Light Rail Vehicle (LRV) Sand Dispenser** **$341,926**

This project will replace the existing sand dispenser located at the Curtis E. Green Light Rail Facility, Main Maintenance

Building with a new unit. The existing unit does not meet current industrial safety standards for dust control. In addition, the existing unit does not adequately meet the functional requirements of filling the sand boxes on the LRV's. As a result sand is spilled. Moreover, the process of loading and storing sand is cumbersome and labor intensive.

**Gilley Room Improvements at Various Locations $82,806**

The Municipal Railway operates from seven (7) divisions located throughout San Francisco. Each division has a Gilley room which serves as an assembly room and waiting area for transit operators. This project would provide architectural, lighting and mechanical improvements to these assembly and waiting area rooms for transit operators.

**Metro Subway Emergency Lighting $185,673**

At the present time emergency lighting exists in the Metro Subway Stations and in the tunnels between stations. In the event of a power failure, the emergency lighting is activated. During the 1989 Loma Prieta Earthquake, the emergency lighting was inadequate for the large scale evacuation of passengers.

**Woods Facility Yard Drainage $225,498**

This project would provide the necessary work to improve the surface drainage at the John M. Woods Motor Coach Facility, Coach Storage Area. The proposed improvements would reduce the amount of oil and grease flowing from the yard into the existing sewer system.

**Trash Compactors at Various Locations $63,028**

This project will provide for the purchase and installation of trash compactors at various Municipal Railway Facilities. These compactors will allow for a reduction in fees currently charged for scavenger services.

**Woods Facility Carpentry Shop Heating and Ventilation Improvements $280,057**

The carpentry shop at the John M. Woods Motor Coach Facility serves as the main carpentry shop for the Municipal Railway. The principal work performed at the carpentry shop is the building of new Cable Cars and the rebuilding of existing Cable Cars. In addition, the shop provides carpentry support for the Municipal Railway. The existing ventilation system is

inadequate in that the removal of sawdust does not meet current industrial and safety standards. This project will provide the engineering design and construction activities required to improve the existing system so that it meets current industrial and safety standards.

**Woods Facility Transportation Heating and Ventilation Improvements** **$57,187**

This project would provide the necessary work to modify and improve the existing heating and ventilation system in the Transportation Offices at the John M. Woods Motor Coach Facility. The existing system does not provide adequate heat during the winter and does not provide adequate cooling during the summer.

| | |
|---|---|
| **Project Cost Total** | **$1,676,892** |
| **Unassigned Project Funds** | 1,500 |
| **Total Requested Release of Funds** | **$1,678,392** |

**Project Budget:** The following budget would pay for existing workorder personnel reimbursed from the previously reserved grant funds in the total amount of $1,678,392.

| Description | Amount | |
|---|---|---|
| **Emergency Generators at Various Locations** | | |
| Project Management | $27,303 | |
| Design Engineering Services | 201,505 | |
| Construction Engineering | 38,954 | |
| Other Direct Expenses | 1,500 | |
| Subtotal | | $269,262 |
| **Cable Car Paint Booth** | | |
| Project Management | 20,378 | |
| Design Engineering Services | 52,102 | |
| Construction Engineering | 36,218 | |
| Other Direct Expenses | 1,500 | |
| Subtotal | | 110,198 |
| **Light Rail Vehicle (LRV) Dome Removal** | | |
| Project Management | 13,652 | |
| Design Engineering Services | 28,488 | |
| Construction Engineering | 17,617 | |
| Other Direct Expenses | 1,500 | |
| Subtotal | | 61,257 |

| | | |
|---|---|---|
| **Light Rail Vehicle (LRV) Sand Dispenser** | | |
| Project Management | $121,956 | |
| Design Engineering Services | 189,693 | |
| Construction Engineering | 28,777 | |
| Other Direct Expenses | 1,500 | |
| Subtotal | | $341,926 |
| **Gilley Room Improvements at Various Locations** | | |
| Project Management | 9,035 | |
| Design Engineering Services | 67,315 | |
| Construction Engineering | 6,456 | |
| Subtotal | | 82,806 |
| **Metro Subway Emergency Lighting** | | |
| Project Management | 13,652 | |
| Design Engineering Services | 71,493 | |
| Construction Engineering | 99,028 | |
| Other Direct Expenses | 1,500 | |
| Subtotal | | 185,673 |
| **Woods Facility Yard Drainage** | | |
| Project Management | 13,652 | |
| Design Engineering Services | 181,569 | |
| Construction Engineering | 28,777 | |
| Other Direct Expenses | 1,500 | |
| Subtotal | | 225,498 |
| **Trash Compactors at Various Locations** | | |
| Project Management | 13,453 | |
| Design Engineering Services | 37,899 | |
| Construction Engineering | 10,176 | |
| Other Direct Expenses | 1,500 | |
| Subtotal | | 63,028 |
| **Woods Facility Carpentry Shop Heating and Ventilation Improvements** | | |
| Project Management | 9,035 | |
| Design Engineering Services | 160,532 | |
| Construction Engineering | 108,990 | |
| Other Direct Expenses | 1,500 | |
| Subtotal | | 280,057 |
| **Woods Facility Transportation Heating and Ventilation Improvements** | | |
| Project Management | 8,836 | |
| Design Engineering Services | 35,244 | |
| Construction Engineering | 11,607 | |
| Other Direct Expenses | 1,500 | |
| Subtotal | | 57,187 |
| **Unassigned Project Funds** | | 1,500 |
| **Total** | | **$1,678,392** |

**Comments:**

1. The total amount of reserved funds from the Urban Mass Transportation Administration (UMTA) Section 9 Formula Assistance Funds is $33,524,095. The Budget Committee has already approved the release of $41,000 out of a requested release of $325,000 (File 94-91-8.1) for the Station Agent Booth Improvement Project. The Committee continued to reserve $284,000 pending submission of the construction contract, the contract cost details and the MBE/WBE status of the contractor. A total of $33,483,095 ($33,524,095 less $41,000) remains on reserve at this time.

2. Mr. John O'Neill of the Municipal Railway advises that the $1,500 of unassigned project funds identified above in the project budget and descriptions should be assigned as other direct expenses for the Gilley Room Improvements at Various Locations project. This amount of $1,500 was inadvertently not specified in the Municipal Railway project budget. Under these circumstances, the Gilley Room Improvements at various Locations project budget should include $1,500 for other direct expenses increasing the total cost for that project from $82,806 to $84,306.

3. Mr. O'Neill also advises that the anticipated starting and completion dates for the projects' design phases, the dates which the construction bids will be sought, and the anticipated starting and completing dates for the projects are as follows:

| Project | Project Design Start | Project Design End | Bid Request | Construction Start | Construction End |
|---|---|---|---|---|---|
| Emergency Generators at Various Locations | 5/93 | 11/93 | 12/93 | 3/94 | 10/94 |
| Cable Car Paint Booth | 3/93 | 5/93 | 6/93 | 9/93 | 2/94 |
| Light Rail Vehicle (LRV) Dome Removal | 3/93 | 5/93 | 6/93 | 9/93 | 12/93 |
| Light Rail Vehicle (LRV) Sand Dispenser | 5/93 | 12/93 | 1/94 | 5/94 | 12/94 |
| Gilly Room Improvements at Various Locations | 4/93 | 9/93 | 10/93 | 1/94 | 4/94 |
| Metro Subway Emergency Lighting | 5/93 | 11/93 | 12/93 | 3/94 | 10/94 |
| Woods Facility Yard Drainage | 6/93 | 12/93 | 1/94 | 4/94 | 10/94 |
| Trash Compactors at Various Locations | 3/93 | 7/93 | 8/93 | 12/93 | 5/94 |
| Woods Facility Carpentry Shop Heating and Ventilation Improvements | 6/93 | 12/93 | 1/94 | 5/94 | 12/94 |
| Woods Facility Transportation Heating and Ventilation Improvements | 5/93 | 10/93 | 11/93 | 3/94 | 7/94 |

**Recommendation:** Release reserved funds in the amount of $1,678,392 as requested.

Item 2 - File 101-90-57.3

**Note:** This item was continued by the Budget Committee at its meeting of February 3, 1993

**Department:** Airports Commission

**Item:** Requesting release of reserved funds for infrastructure and maintenance contract.

**Amount:** $6,633,375

**Source of Funds:** Interest income on unused balances of the Airport's capital project funds remaining from completed projects, as follows:

| | |
|---|---|
| Airport Capital Improvement Fund | $ 7,466,608 |
| 1967 General Obligation Bonds | 56,756 |
| 1975 Series A Revenue Bonds | 382,135 |
| 1977 Series B Revenue Bonds | 483,130 |
| 1981 Series C Revenue Bonds | 4,475,268 |
| 1983 Series D Revenue Bonds | 3,018,705 |
| 1990 Series E Revenue Bonds | 2,021,000 |
| Total Source of Funds | $17,903,602 |

**Description:** In March of 1991, the Board of Supervisors appropriated interest earned on the residual balances of funds from capital improvement projects that had been completed at the Airport in the amount of $17,903,602 (File 101-90-57) for the following projects:

| | |
|---|---|
| Replace Electrical Equipment and Change Field Lighting Voltage | $ 2,900,000 |
| Construct High Speed Exit Taxiway | 5,107,830 |
| Dike Reconstruction - Phase 5 | 1,300,000 |
| Centerline Lights & Taxiway Lights Upgrade | 1,595,772 |
| Extend Runway Safety Area - Phase I | 3,000,000 |
| Runway Exit Fillet Widening- Phase I | 1,000,000 |
| Electrical Power Distribution System Upgrade | 3,000,000 |
| Total Request | $17,903,602 |

Architectural and engineering design, inspections and project management for all of the proposed projects were to have been performed in-house by Airport staff, which accounts for $2,685,540 or 15 percent of the amount requested for each project. The remaining 85 percent of the $17,903,602 requested, or $15,218,062, was placed on reserve pending selection of the outside contractors and determination of the contract cost details and the MBE/WBE status of the contractors.

The Airport requests the release of $6,633,375 (see Comment No. 7) of the previously reserved funds of $15,218,062 to provide funding for Phase II of the Field Lighting Raceway Improvement Project. The total estimated cost for the Project is $22,600,000.

However, it should be noted that the Field Lighting System Improvement Project is not included in the projects above (see Comment No. 2).

According to the Airport, under the current raceway lighting system, maintenance crews must close down runways and taxiways to perform maintenance work, because of the close proximity of the cabling to the operational area. For safety reasons, the raceway circuits are worked on only during daylight hours when all lights are off. The proposed project would relocate all components of the distribution portion of the circuits away from the critical operational areas, thus permitting access to the components without closing circuits. The project would also provide a separate raceway system for each circuit, permitting maintenance crews to work on a single circuit at night without shutting down all circuits.

**Comments:**

1. The Finance Committee of the Board of Supervisors previously released from the reserved amount of $15,218,062 funding in the amount of $2,436,885 (File 101-90-57.1), and $1,724,441 (File 101-90-57.2) in May and August of 1991, respectively. Therefore, funding in the amount of $11,056,736 remains on reserve.

2. The Field Lighting Raceway Improvement Project is not included in the list of projects for which the Board of Supervisors previously appropriated the $17,903,602. Mr. John Martin of the Airport reports that since 1990, proceeds of Airport bonds sold must be expended according to time schedules imposed by the Internal Revenue Service. In order to adhere those schedules and avoid paying penalties, the Airport is required to constantly adjust its financing plans to expend restricted bond proceeds as quickly as possible.

3. Mr. John Madden of the Controller's Office reports that the Controller's Office does not object to the proposed use of funds and that approval of funds for the Field Lighting Raceway Improvement Project is within the purview of the Board of Supervisors.

4. Mr. Martin reports that the projects for which the $17,903,602 was originally appropriated are all scheduled to be completed, using future capital project funds, subject to separate appropriation by the Board of Supervisors.

5. Rosendin Electric has been selected to perform the construction work on the Field Lighting Raceway Improvement Project, based on its low bid of $4,758,863. The Airport has provided the following bid information:

| Bidder | MBE/WBE Status | Bid Amount |
|---|---|---|
| Rosendin Electric | Registered MBE - Not Disadvantaged No Preference | $4,758,863 |
| SWK, (J.V.)[1] | None | $5,772,400 |
| Abbet-Tick (J.V.) | Certified MBE/10% preference | $5,780,950 |
| Amelco Electrical R. Ruiz (J.V.) | Certified MBE/10% Preference | $7,781,131 |

6. Phase I of the Field Lighting Raceway Improvement Project commenced in October of 1992. The entire Project is scheduled for completion in September of 1993.

7. According to Mr. Martin, because the low bid for the electrical contractor work was $4,758,863 and the original estimate for that work was $5,415,000, the request for the release of reserved funds should be changed from $6,633,375 to $5,829,607 as follows:

| | | |
|---|---|---|
| Construction Subtotal | $4,758,863 | |
| AE&I[2]/Contingency | 1,070,744 | |
| Project Total - Phase II | | $5,829,607 |

[1]Joint Venture.
[2]Architectural, Engineering and Inspection.

8. Because the Field Lighting Raceway Improvement Project was not included in the list of projects for which the requested funds were previously appropriated, the Budget Committee continued this item 1) in order to determine if the proposed "release of reserve request" is the proper mechanism to transfer funds to the Field Lighting Raceway Improvement Project and 2) to request that the Airport provide documentation regarding the original Board of Supervisors approval of the Field Lighting Raceway Improvement Project.

The Airport has submitted the attached documents evidencing the original appropriation of funding for the Field Lighting Raceway Improvement Project. The Budget Analyst has compared these documents to the documents supporting our report regarding this $91,736,500 supplemental appropriation ordinance (File 101-89-114) that was approved by the Board of Supervisors in May, 1990 which includes an appropriation for the Field Lighting Raceway Improvement Project in the amount of $22.6 million.

Mr. Lakey of the City Attorney's Office has advised the Budget Analyst that it would be legal for the Budget Committee to release the requested funds on reserve.

**Recommendation:** Because the Field Lighting Raceway Improvement Project was not included in the list of projects for which the requested funds were previously appropriated, the decision as to whether to approve this release of funds is a policy matter for the Budget Committee. If the Budget Committee approves release of funding for the requested project, reduce the amount of the requested release of the reserved funds by $803,768, from $6,633,375 to $5,829,607. Continue to reserve the $803,768.

FILE NO. 101-89-114 ORDINANCE NO. 154-90

RO #9244 SA #136

(GOVERNMENT FUNDING)

APPROPRIATING $91,736,500 FOR VARIOUS CAPITAL IMPROVEMENT PROJECTS, AIRPORT COMMISSION FOR FISCAL YEAR 1989-90.

Be it ordained by the People of the City and County of San Francisco:

Section 1. Funds are hereby appropriated for Fiscal Year 1989-90 as follows:

| DEPARTMENT AND NUMBER | SOURCE OF FUNDS AND PURPOSE OF APPROPRIATION | AMOUNT DEBIT | AMOUNT CREDIT |
|---|---|---|---|
| 30-874 | 1990 Series E Revenue Bonds | | |
| 27-00-00 | Airport | | |
| 55-5500 (053728) | Proceeds - Sale of Bonds | $91,736,500 | |
| Project 050-01 | Revenue Bond Reserve Payment | | |
| 20-2030 (572115) | Capital Improvement Project | | $ 8,500,000 |
| Project 075-01 | Professional and Special Services | | |
| 20-2030 (572115) | Capital Improvement Project | | 600,000 |
| Project 100-01 | Utilities Improvements | | |
| 20-2030 (572115) | Capital Improvement Projects | | 9,400,000 |
| Project 200-01 | Airfield Improvements | | |
| 20-2030 (572115) | Capital Improvement Projects | | 45,836,500 |
| Project 300-01 | Terminal Improvements | | |
| 20-2030 (572115) | Capital Improvement Projects | | 3,700,000 |
| Project 400-01 | Groundside Improvements | | |
| 20-2030 (572115) | Capital Improvement Projects | | 4,300,000 |
| Project 500-01 | Airport Support Area Improvements | | |
| 20-2030 (572115) | Capital Improvement Projects | | 18,400,000 |
| | Total | $91,736,500 | $91,736,500 |

APPROVED AS TO FORM:
LOUISE H. RENNE, CITY ATTORNEY

BY: _____
DEPUTY CITY ATTORNEY

FUNDS AVAILABLE:

_____
CONTROLLER

Board of Supervisors, San Francisco

| | |
|---|---|
| Passed for Second Reading | Finally Passed |
| April 23, 1990 | April 30, 1990 |
| Ayes: Supervisors Alioto Britt Gonzalez Hallinan Hongisto Kennedy Maher Nelder Walker | Ayes: Supervisors Britt Gonzalez Hallinan Hongisto Maher Nelder Walker Ward |
| Absent: Supervisors Hsieh Ward | Absent: Supervisors Alioto Hongisto |

I hereby certify that the foregoing ordinance was finally passed by the Board of Supervisors of the City and County of San Francisco

_____
Clerk

File No. 101-89-114

MAY 7 1990
Date Approved

_____
Mayor

Attachment
Page 1 of 2

FIVE-YEAR CAPITAL PROJECTS PLAN
UNFUNDED PROJECTS
TO BE FUNDED WITH THE PROPOSED SERIES B BONDS

| Fiscal YEAR | FUND | Contract NUMBER | EXT | DESCRIPTION | ACTUAL AWARD EXPECTED 88/89 | 89/90 | 90/91 | 91/92 | 92/93 | Beyond 93/94 |
|---|---|---|---|---|---|---|---|---|---|---|
| 91-91 | B | 1527 | | Microwave Landing System | | | 1,225,000 | | | |
| 90-91 | B | 1559 | E | Taxiway Repair & Reconst-Ph 5 | | | 1,900,000 | | | |
| 90-91 | B | 1643 | | H/S Exit T/W, R/w 19L @ T/W F | | | 6,500,000 | | | |
| 90-91 | B | 1644 | | H/S Exit T/W, R/W 10L @ T/W L | | | | | 2,000,000 | |
| 91-92 | B | 1696 | | Drainage Imp Lot B-1 | | | | 800,000 | | |
| 89-90 | B | 1697 | | Drainage Imp Canal to DPS #2 | | 1,480,000 | | | | |
| 89-90 | B | 1698 | | Drainage Imprvmnt Tank Farm | | 250,000 | | | | |
| 89-90 | B | 1721 | | Dike Reconstruction Ph V | | 1,300,000 | | | | |
| 89-90 | B | 1723 | | New Firehouse No. 2 | | | | 2,500,000 | | |
| 87-88 | B | 1729 | | Cargo Bldg Plot 42 | | | 200,000 | | | |
| 87-88 | B | 1731 | | Demo of Exist. Structure | | | | | 170,000 | |
| 86-87 | E | 1732 | | Utility Install - IT 4th FL | | 150,000 | | | | |
| 89-90 | E | 1872 | | Equal Tank @ Sew Treat Plant | | 600,000 | | | | |
| 89-90 | B | 1895 | | T/W A Centerline Lights | | | 2,000,000 | | | |
| 90-91 | B | 1896 | | Field Lgtg Raceway Sys Imp | | | 22,600,000 | | | |
| 87-88 | B | 1898 | | Repair Sewage Treatment Plant | | | 400,000 | | | |
| 91-92 | B | 1950 | | Lgtg @ N Access Rd, McDonnell Rd | | | | 600,000 | | |
| 89-90 | B | 1953 | | LL Roadway Improvements | | 1,000,000 | | | | |
| 89-90 | B | 1955 | | Digester @ Sew Treat Plant | | 400,000 | | | | |
| 89-90 | B | 1956 | | Effluent Line & Weir Struc | | 500,000 | | | | |
| 89-90 | B | 1957 | | Water Mains @ Garage | | 300,000 | | | | |
| 91-92 | B | 1958 | | Overlay & Recon R/W 28R T/W P | | | 6,000,000 | | | |
| 90-91 | B | 1959 | | United Cogen. Plant Connection | | | 2,500,000 | | | |
| 90-91 | B | 1960 | | Exp Elect Dist Sys Ph 3 | | | 3,000,000 | | | |
| 91-92 | B | 1962 | | Sedimentation Tanks | | | | 1,200,000 | | |
| 88-89 | B | 1963 | | Drain Lines Pump Stn #2 | | 800,000 | | | | |
| 90-91 | B | 1998 | | IT Elevator 210 Replacement | | 500,000 | | | | |
| 88-89 | B | 2105 | | Purchase of Airline Imp - B/A B | | 1,100,000 | | | | |
| 89-90 | B | 2132 | | Telephone System Conversion | | 180,000 | | | | |
| 89-90 | B | 2133 | | Contingency Facility | | | 1,500,000 | | | |
| 88-89 | B | 2154 | | Ground Transport. Info System | | 410,000 | | | | |
| 88-89 | B | 2156 | | 4th Flr Press & Training Room | | | 125,000 | | | |
| 89-90 | B | 2164 | | Extension of Elevator - IT | | 400,000 | | | | |
| 92-93 | B | 1559 | F | Taxiway Repair & Reconstruction | | | | | 2,000,000 | |
| 90-91 | B | 2084 | | Water Main Improvement | | | 750,000 | | | |
| 90-91 | B | 2085 | | Rehabilitate Drainage Pump Station #2 | | | 500,000 | | | |
| 91-92 | B | 2241 | | Dike Reconstruction Phase 6 | | | | 1,700,000 | | |
| 90-91 | B | 2242 | | N & S Oxidation Ponds & Drain Canals | | | 500,000 | | | |
| 90-91 | B | 2243 | | Drainage Pum Stn 1A, 1B & 1C Piling | | | 300,000 | | | |
| 90-91 | B | 2247 | | Modernization of Fire Alarm System | | | 600,000 | | | |
| 89-90 | B | 2248 | | International Terminal Doors | | 160,000 | | | | |
| 91-92 | B | 2249 | | North Terminal Doors | | | | 430,000 | | |
| 89-90 | B | 2254 | | Relocation of Budget Rental Car | | 1,200,000 | | | | |
| 89-90 | B | 2255 | | Relocation of Dollar Rental Car | | 300,000 | | | | |
| | | | | | $0 | $11,030,000 | $50,600,000 | $7,230,000 | $4,170,000 | $0 |
| | | | | PLUS AB & I / CONTINGENCY: | 0 | 2,481,750 | 11,908,688 | 1,626,750 | 938,250 | 0 |
| | | | | TOTAL YEARLY FUNDING NEEDS: | $0 | $13,511,750 | $62,508,688 | $8,856,750 | $5,108,250 | $0 |



Attachment
Page 2 of 2

Items 3, 4 and 5 - Files 79-92-3.1, 102-92-15 and 101-92-36

**Department:** Mayor's Office of Community Development (MOCD)
Mayor's Office of Children, Youth and Their Families (MOCYF)

**Items:** Item 3 - Release of Reserved Funds (File 79-92-3.1)

Item 4 - Ordinance (File 102-92-15) to amend the Annual Salary Ordinance to create two new permanent (grant funded) positions.

Item 5 - Supplemental appropriation ordinance (File 101-92-36) for Permanent Salaries, Mandatory Fringe Benefits, Other Services and Equipment.

**Amount:** $100,000

**Source of Funds:** 1993 Community Development Block Grant (CDBG) Program

**Description:** The Board of Supervisors previously authorized the Mayor's Office of Community Development to apply for, receive and expend the City's 1992 Community Development Block Grant (CDBG) entitlement from the U. S. Department of Housing and Urban Development, Resolution No. 975-92 (File 79-92-3). The 1992 CDBG grant, as approved by the Board of Supervisors, includes a $100,000 allocation to the Mayor's Office of Children, Youth and their Families (MOCYF) for a new program in 1993 (CDBG funds are granted on a calendar year basis) entitled the Mayor's Employment Opportunities 1000 (EO 1000) Program. The goal of the EO 1000 Program is to place 1,000 youth graduates of various youth training programs into permanent jobs.

The $100,000 CDBG allocation for the EO 1000 Program includes an original estimate of $86,359 for two temporary positions to administer the EO 1000 Program and $13,641 ($100,000 less $86,359) for operating costs. The $86,359 was reserved pending Civil Service Commission review and classification of the two new temporary positions to administer the EO 1000 Program.

The Civil Service Commission has completed their review of the two new temporary positions and has classified them. Therefore, the conditions for releasing the reserve on the $86,359 have been met. However, in order to establish accountability and control over the EO 1000 Program, the Controller's Office is requiring that the two positions be amended into the Annual Salary Ordinance as grant funded

positions, rather than as temporary positions and that the $100,000 allocated to the EO 1000 Program on a grant basis be reappropriated to the MOCYF's regular project budget for the salaries and operating costs.

Although the original intent of the proposed release of reserve (Item 3, File 79-92-3.1) was to provide funding for the two new temporary positions to administer the EO 1000 Program and the conditions of the reserve have been met, in any case, the reserve on the $86,359 must be released in order to effect the reappropriation of the full $100,000 required by the Controller's Office to the MOCYF budget for salaries and operating expenses.

The proposed ordinance (Item 4, File 102-92-15) would amend the 1992-93 Annual Salary Ordinance to create two new grant funded positions to administer the Mayor's EO 1000 Program as follows:

| No. | Classification | Biweekly Salary | Annual Salary |
|---|---|---|---|
| 2 | 9736 G Staff Assistant II, Special Project | $1,272 | $33,199 |

The proposed supplemental appropriation ordinance (Item 5, File 101-92-36) would fund the proposed two new grant funded positions, a portion of the MOCYF Director's salary that is considered to be an operating cost of the EO 1000 Program and other operating expenses for the 12 month period from January 1, through December 31, 1993, as follows:

| | | |
|---|---|---|
| Personnel | | |
| Permanent Salaries- Grant Funded Positions | | |
| 2 - 9736 G Staff Assistant II (2 x $1,272 x 26.1 bwpp) | $66,398 | |
| Estimated 5% COLA[1] for 1993-94 (2 x $1,272 x 5% x 13.0 bwpp) | 1,660 | |
| 10% of 9792 Assistant to Mayor VI[2] (Director of MOCYF - 10% x $71,930) | 7,193 | |
| Subtotal - Permanent Salaries | | $75,251 |
| Mandatory Fringe Benefits | | 8,675 |
| Subtotal - Personnel | | $83,926 |

[1] MOCYF estimates that the cost of living adjustment (COLA) for the two 9736 Staff Assistant II positions will be 5 percent for FY 1993-94.

[2] The MOCYF Director would be supervising the proposed two new employees who are fulfilling the objectives of the EO 1000 Program.

| | | |
|---|---|---|
| Other Services | | |
| Rent (pro-ration of MOCYF office space) and supplies | $11,234 | |
| Equipment | 4,840 | |
| Subtotal - Other Services | | $16,074 |
| Total | | $100,000 |

The Mayor's Office of Community Development currently contracts with 41 community based non-profit agencies to provide 1,712 jobs for youth. The proposed EO 1000 Program would be a separate program operated solely by the proposed two new positions to provide an additional 1,000 jobs for youth. The EO 1000 Program will focus on matching trainees of the City's numerous community-based employment agencies with existing opportunities for gainful employment with local firms.

Another objective of the EO 1000 Program is to find jobs for graduate trainees in the two Department of Social Services programs entitled Greater Avenues for Independence (GAIN) and General Assistance Training Employment Services (GATES).

The two new grant funded positions will be responsible for conducting an intensive outreach program, coordinating activities with community based agencies, recruiting employers, securing job pledges, screen prospective applicants referred by community based agencies and referring qualified applicants to employers. According to Mr. Al Walker of the Civil Service Commission, the two new positions are entry level and will receive direct supervision from MOCYF management staff (the MOCYF Director).

**Comments:**

1. Mr. Frank Grimmelman of MOCYF advises that the MOCYF would find a substantial portion of such added job placements with large businesses located in the downtown area as the result of the EO 1000 Program and other employment programs and contacts developed by the Mayor's Office.

2. The proposed supplemental appropriation should be reduced by $10,128 from $100,000 to $89,872 to reflect that the starting date for these new positions will be February 23, 1993 and not January 1, 1993 as had been requested. The required funding for the period February 23, 1993 through December 31, 1993 (22.3 biweekly payperiods), as follows:

| | | |
|---|---|---|
| 2 - 9736 G Staff Assistant II, Special Project (2 x $1,272 x 22.3 bwpp) | $56,731 | |
| Estimated 5% COLA for 1993-94 (2 x $1,272 x 5% x 13.0 bwpp) | 1,660 | |
| 10% of 9792 Assistant to mayor VI (Director of MOCYF - 10% x $71,930) | 7,193 | |
| Subtotal - Permanent Salaries | | $65,584 |
| Mandatory Fringe Benefits | | 8,214 |
| Subtotal - Personnel | | $73,798 |
| Other Services and Equipment Purchase | | 16,074 |
| Total Funding Required | | $89,872 |
| Total Requested Funding | | 100,000 |
| Savings | | $10,128 |

3. Mr. Anthony Lincoln of MOCYF advises that the proposed EO 1000 Program is an MOCD program and not connected with the MOCYF operations. Under these circumstances, Mr. Lincoln advises that 10 percent of his time would not be used to supervise the two new employees who are fulfilling the objectives of the EO 1000 Program. Therefore the proposed supplemental appropriation ordinance should be further reduced to delete funding for the ten percent of the 9792 Assistant to the Mayor VI position at $7,193 for a total savings of $17,321 ($10,128 from the reduction in salaries for the two new positions to reflect the correct effective date of these positions plus $7,193 deletion of the ten percent funding of the MOCYF Director's salary).

4. The EO Program, including the proposed two new positions, was previously approved by the Board of Supervisors as part of the 1993 Community Development Block Grant (CDBG) Program but funds were reserved by the Board pending Civil Service Commission review and classification of the two new positions. The Civil Service Commission has now completed this classification action, consistent with the prior reservation of funds by the Board of Supervisors.

5. Mr. Lincoln requests that the proposed resolution be continued to the call of the Chair to allow MOCYF and MOCD to reevaluate the administrative structure of the proposed EO 1000 Program.

**Recommendations:** Amend the proposed supplemental appropriation and release funds as follows:

1. In accordance with Comments Nos. 2 and 3, above, reduced the proposed supplemental appropriation (File 101-92-36) by $17,321 from $100,000 to $82,679, as follows:

Line 11 - Reduce the Debit amount for Permanent Salaries by $17,321 from $100,000 To $82,679 and the Credit amount for Permanent Salaries by $16,860* (S9,667 from the reduction in salaries for the two new positions plus $7,193, deletion of the ten percent funding of the MOCYF Director's salary) from $75,251 to $58,391.

Line 12 - Reduce the Credit amount for Fringe Benefits by $461* from $8,675 to $8,214 corresponding to the reduction in salaries for the two new positions.

* $16,860 plus $461 equals $17,321.

2. Reduce the proposed release of reserved funds (File 79-92-3.1) by $17,321 from $86,359 to $69,038 in order to continue to reserve the savings which result by reducing the appropriations for salaries and fringe benefits.

3. It is also recommended that the Budget Committee direct a letter to the Mayor's Office of Community Development (MOCD) requesting that the MOCD provide the Board of Supervisors with a progress report on the number of jobs created for youth, after six months of operation of the proposed EO 1000 Program. Such a report would assist the Board of Supervisors in analyzing the 1994 Community Development Block Grant Program budget scheduled for submission in October of 1993.

Item 6 - File 100-93-2

**Note:** This item was continued by the Budget Committee at its meeting of January 27, 1993.

This item is a hearing to consider the Joint Report by the Mayor, the Controller and the Budget Analyst regarding the anticipated General Fund revenue shortfall for the Fiscal Year 1993-94 budget. Refer to the separate report of January 15, 1993 previously issued by the Mayor's Co-Budget Directors, the Controller and the Budget Analyst.

Item 7 - File 207-92-11

**Note:** This item was transferred to the Budget Committee from the Health and Public Safety Committee meeting of January 25, 1993, because of Fiscal Impact.

**Department:** Police Department

**Item:** File 207-92-11. Resolution urging the Mayor to authorize sufficient funding in the FY 1993-94 Police Department budget to fully staff the Communications Center.

**Background:** The San Francisco Police Department's Communications Control Center is designated as the Public Safety Answering Point (PSAP) for 911 emergency calls in the City and County of San Francisco. PSAP operators (call evaluators) receiving 911 bona-fide emergency calls transfer such calls to Police dispatchers, or to call evaluators at the Health Department or the Fire Department. The 911 Emergency Telephone System is one part of a three component process that delivers emergency assistance services to the public. The other two components are the dispatch systems for police, health, and fire protection services and their respective service delivery units. The major functions performed in the Police Department's Communications Center are as follows:

- Receiving 911 calls
- Requesting translation services, when required
- Evaluating 911 calls
- Transferring 911 calls to the proper agency
- Dispatching Police units in response to 911 calls
- Receiving Police non-emergency calls via 553-0123
- Evaluating 553-0123 calls
- Transferring non-emergency calls to other agencies, when appropriate
- Dispatching Police units in response to 553-0123 call
- Recording 911 emergency calls and Police radio communications

**Comments:** 1. The 1987 audit report submitted by the Budget Analyst made a number of recommendations concerning recruitment, examination, selection, and training of 911 emergency communications dispatchers. The 1991 joint audit report submitted by the Controller and the Budget Analyst contains a total of 51 recommendations for improving the operations of the Communications Center. Those 51 recommendations were made in the areas of management, personnel, operations, budgeting/staffing, Patrol Bureau, 1987 audit follow-up, and miscellaneous issues.

2. A follow-up joint report issued by the Controller and the Budget Analyst in December of 1992 found that the Police Department had implemented 21 of the 51 recommendations and that an additional 23 recommendations are in the process of being implemented. The Department has not yet begun to implement the remaining 7 recommendations.

The December, 1992, follow-up audit report commented on the 30 recommendations either not implemented or not fully implemented. Such recommendations included:

a. Clearly articulating performance standards and developing management reports summarizing workload and disposition of calls.

It is difficult for the Police Department, Police Commission, Communications Division staff, and others to easily determine if calls are being answered in a more timely and effective manner than they were in the past.

b. Converting the top two levels of management in the Division from sworn officers to civilians.

The Communications Division continues to lack stability in its leadership, which affects its ability to provide effective technical and administrative direction.

c. Effectively curtailing high levels of absenteeism that may be due to disciplinary problems, illness, low employee morale, and other factors.

The Communications Division will continue to be unable to fully staff any particular shift, even with additional staff.

d. Increasing training resources provided dispatchers.

Some dispatchers do not have the expertise or confidence to assure that they properly handle incoming calls.

e. Developing a long-term City-wide plan for more efficiently and effectively organizing and configuring dispatch operations.

Efficiencies that could be realized through a coordination of dispatch related efforts by the Police Department, Fire Department, and Department of Public Health and Parking and Traffic Departments may not occur.

**Description:** 1. The proposed resolution, and five companion resolutions that were approved by the Board of Supervisors at its meeting of February 1, 1993, are concerned with the foregoing and other Communications Center issues.

2. The proposed resolution (File 207-92.11) would urge the Mayor to authorize sufficient funding in the FY 1993-94 Police Department budget to fully staff the Communications Center. The FY 1992-93 Police Department budget includes funding for 113 Police Communications Dispatchers. However, currently, only approximately 86 such dispatchers have been working at the Communications Center, due to sick leave, disability and other factors. This condition has resulted in instances when the Communications Center has been severely understaffed.

3. The Police Department has a pending request for a supplemental appropriation and an amendment to the FY 1992-93 Annual Salary Ordinance that would authorize an additional 13 Police Communications Dispatcher positions in the Communications Center, at an additional estimated annual cost of approximately $45,000 per additional Police Communications Dispatcher. Attached to this report is an advance copy of the proposed amendment to the 1992-93 Annual Salary ordinance. (Attachment I). The total approximate additional cost for the 13 additional Police Communications Dispatchers would be $585,000, annually. These 13 additional Police Communications Dispatcher positions have also been requested in the Police Department's FY 1993-94 budget.

Attachment I also references three additional Senior Police Communications Dispatcher positions. The Board of Supervisors previously approved a resolution (File 207-92-11.2) urging the Mayor to urge the Police Commission to civilianize the supervisorial positions in the Police Department. A part of that request was for four additional Senior Police Police Communications Dispatcher positions, as shown in paragraph 4.a.(1) of this report. Lieutenant Lawrence Ryan of the Police Department reports that the fourth Senior Police Communications Dispatcher position will be requested in the near future.

The addition of 13 Police Communications Dispatcher positions would result in a total of 126 authorized Police Communications Dispatcher positions in the FY 1992-93 Annual Salary Ordinance. The 1991 joint audit report submitted by the Controller and the Budget Analyst contains a staffing analysis that shows a requirement for 105 Police Communications Dispatcher positions, not including staffpersons who are on extended

absences, such as for a disability. The December 11, 1992, joint report submitted by the Controller and the Budget Analyst shows a total of 17 staffpersons as being on extended absences (see Point 4d of this report, which is an extract of the December 11, 1992, joint report showing the disposition of staffing in the Communications Center as of November 13, 1992). Those 17 staffpersons on extended absences, when added to the requirement of 105 positions required for staffing the Communications Center on a recurring basis, equals 122 Police Communications Dispatcher positions. However, the Police Department has recently developed performance goals, related to the 911 system and the non-emergency line telephone response times, that have increased the need for staffing in the Communications Center to 126 positions. Attached is a memorandum from the Police Department providing justification for the 126 Police Communications Dispatcher positions. (Attachment II).

The December, 1992, joint report of the Controller and the Budget Analyst notes that the Police Department had expended a total of $193,492 in overtime costs for Police Communications Dispatcher services during the period of July 1, through November 20, 1992 That rate of overtime usage extended to the end of FY 1992-93 would pay for the equivalent of approximately 11.7 full-time equivalent Police Communications Dispatcher positions. Such excessive overtime expenditures for Police Communications Dispatcher services could be avoided by having sufficient staffing in the Communications Center.

Because of the emergency nature of the calls that are received by the 911 dispatchers, staffing shortages at the Communications Center create potentially life-threatening situations when calls are not answered in an expedient manner.

4. The five companion resolutions concerning the Communications Center that were approved by the Board of Supervisors at its meeting of February 1, 1993, some of which would be implemented by the additional staff positions provided for in the subject resolution, are as follows:

a. File 207-92-11.2 urged the Mayor to urge the Police Commission to civilianize the supervisorial positions in the Police Department Communications Center. The supervisorial positions are currently staffed by sworn officers of the Police Department, with a Police Department Captain in charge of the Communications Center and Police Lieutenants as Watch Commanders. The joint audit report of the Controller and the Budget Analyst and the report of the Mayor's Task Force on the 911 emergency system contained

recommendations to replace the sworn officer leadership in the Communications Center with civilians. Significant benefits of implementing that recommendation include enhancing the stability and the technical proficiency of the Communication Center's leadership.

According to Deputy Chief Reed, the Police Department is requesting the addition of the following supervisory and management level civilian positions in the FY 1993-94 budget for the Communications Center in order to civilianize the positions, increase leadership potential, and provide communications expertise:

(1) Four 8239 - Senior Police Communications Dispatcher positions, which would result in a total of thirteen 8239 positions. The cost of the additional four 8239 positions would be approximately $235,000 in salary and fringe benefits costs.

(2) One 8240 - Police Communications Shift Manager position which would result in a total of four 8240 positions. The cost of the additional 8240 position would be approximately $67,500 in salary and fringe benefits costs.

(3) One 9205 - Communications Coordinator (subject to Civil Service classification) position, which would have a cost of approximately $84,959 for salary and fringe benefits.

The replaced sworn officers could be transferred to patrol or other duties.

b. The Communications Center processes approximately 2,850 calls per day. Approximately 1,700 of those calls are received on 911 emergency circuits, and the remaining approximately 1,150 calls are received on the Police Department's 553-0123 non-emergency lines.

File 207-92-11.3 urged the Mayor to urge the Police Commission to institute a public education program to inform the public of the proper use of 911. Many calls made using a 911 emergency line are not of an emergency nature, and could appropriately be processed on the non-emergency lines, freeing Police Communications Dispatchers to service bona-fide emergency calls in a more expeditious manner. The non-emergency calls could be handled by personnel in the Communications Center other than those servicing 911 emergency calls, or by other Police Department units.

A coordinated, well-publicized public education program to educate the public about the proper uses of the 911 emergency system could result in improved 911 emergency responsiveness and better public service. Deputy Chief Reed reports that the Police Department is currently preparing a public education program, including public service announcements on television and radio. Deputy Chief Reed also reports that the costs associated with the public education program are in-kind and are minimal.

c. The joint report submitted by the Controller and the Budget Analyst in December of 1992 reports that the waiting period for a response to a 911 emergency call increased in FY 1991-92 to an average of 5.27 seconds from and average of 2.0 seconds during the period of August 1 through December 31, 1990. Further, the waiting period for a response to a non-emergency call increased in FY 1991-92 to an average of 155.19 seconds from an average of 52.1 seconds during the period of August 1 through December 31, 1990.

File 207-92-11.4 urged the Mayor to urge the Police Commission to establish response-time goals for the 911 and non-emergency lines. A timely response to both emergency and non-emergency calls is essential to the safety of all San Franciscans. Establishing acceptable response-time goals for the 911 emergency and non-emergency numbers would also assist the Police Department in determining the level of staffing required to achieve acceptable 911 emergency and non-emergency phone services.

Deputy Chief Reed reports that the Police Department has proposed response time goals for the 911 emergency lines and the 553-0123 non-emergency lines, as follows:

Answer 911 emergency calls within five seconds, 75 percent of the time;

Answer 911 emergency calls within 10 seconds, 95 percent of the time;

Do not exceed an abandoned call rate in excess of two percent on 911 emergency calls;

Answer 553-0123 non-emergency calls within 45 seconds, 95 percent of the time.

d. The joint report submitted by the Controller and the Budget Analyst in December of 1992 reports that as of November 13, 1992, only 84 of 113 Police Communications Dispatcher

positions authorized in the Police Department's FY 1992-93 budget were available for duty in the Communications Center. The disposition of Police Communications Dispatchers as of November 13, 1992, was as follow:

| | |
|---|---|
| Authorized 8238 Communications Dispatchers | 113 |
| Unfilled Positions | -8 |
| Long-term Leaves of Absence | -7* |
| Long-term Workers' Compensation | -5* |
| Short-term Workers' Compensation | -5* |
| Communications Dispatchers working outside of the Communications Center | -4 |
| Communications Dispatchers Available for Duty | 84 |

*17 positions on extended absences.

File 207-92-11.5 urged the Mayor to urge the Police Commission to develop a program to reduce dispatcher injuries and illnesses and to maintain staffing at authorized levels. Staff availability for duty in the Communications Center can be increased significantly within the existing 113 authorized positions if there were a reduction in the number of dispatchers unable to work because of injury or illness.

Deputy Chief Reed reports that the Police Department is taking steps to reduce Police Communications Dispatcher injuries and illnesses and that the Health Department has toured the Communications Center to examine the ergonomic quality of the equipment. Deputy Chief Reed reports that, based on the recommendations of the Health Department, the Police Department has established a training program for all dispatchers, to ensure the proper use of the equipment.

Deputy Chief Reed also reports that the Police Department is proposing to work with the Retirement Board, Civil Service, United Public Employees Union - Local 790 and the Police Department Surgeon to identify functions that could be performed by limited-ability Police Communications Dispatchers who are unable to perform regular communications dispatching duties.

e. File 207-92-11.6 urged the Mayor to urge the Police Commission to find alternatives to installing an automated attendant system on the non-emergency line, the Police Commission had previously recommended that an automated attendant system on the Communications center non-emergency line be acquired. This system, would respond to incoming calls and would transmit a recorded message providing opportunities to be routed to other phone numbers until an operator answers. However, many callers using the non-emergency number are in fact calling to report an emergency, and need immediate emergency services. As stated in that resolution, the resources used to purchase and install an automated attendant system should be redirected toward hiring more personnel to answer calls in the Police Department's Communications Center.

Deputy Chief Reed reports that all plans for installing an automated attendant system have been placed on hold pending further study and consideration by all interested parties, including the 911 Task Force, other public officials, and community groups. Deputy Chief Reed further reports that the goal of the Communications Division is to have calls answered by a live operator who makes an evaluation of the call and transfers it to the proper unit.

**Conclusions:** The Budget Analyst believes that the Police Department has provided sufficient justification for the 13 additional Police Communications Dispatcher positions until such time as the Department can reduce its rate of extended absences. However, the Budget Analyst believes that the precise number of additional positions to be approved is a policy matter for the Board of Supervisors since the 1993-94 budgetary funding priorities of all City departments have not yet been submitted to the Board of Supervisors by the Mayor.

**Recommendation**: Approve the proposed resolution which urges the Mayor to provide sufficient funds in the FY 1993-94 Police Department budget to fully staff the Communications Center.

Harvey M. Rose

cc: Supervisor Migden
Supervisor Hsieh
Supervisor Shelley
President Alioto
Supervisor Achtenberg
Supervisor Bierman
Supervisor Conroy
Supervisor Hallinan
Supervisor Kaufman
Supervisor Kennedy
Supervisor Maher
Clerk of the Board
Chief Administrative Officer
Controller
Jean Mariani
Barbara Kolesar
Ted Lakey

Attachment I
"BUDGET ANALYST"

FILE NO. 102-92-14 ORDINANCE NO.

PUBLIC EMPLOYMENT SAL.ORD.AMEND.NO. 11

AMENDING ORDINANCE NO. 250-92 (ANNUAL SALARY ORDINANCE, 1992-93) REFLECTING THE ADDITION OF SIXTEEN POSITIONS IN THE SAN FRANCISCO POLICE DEPARTMENT.

Be it ordained by the People of the City and County of San Francisco:

Section 1. The hereinafter designated section and items of Ordinance No. 250-92 (Annual Salary Ordinance, 1992-93) are hereby amended so that the same shall read as follows:

| (Amend-ment) | No. Pos. | Class & Item No. | Class Title | Compensation Schedule |
|---|---|---|---|---|
| | | Department: | 38 Police Commission | |
| | | Division: | 00 Police | |
| | | Section: | 00 Police | |
| | | Program: | 0000 No Program Defined | |
| | | Fund: | 01001 General Fund | |
| | | Index: | 580019 SFPD-Commission and Chief's Off | |
| | | Proj/Phase: | 000/00 Unassigned Title | |
| | | Object: | 001 Permanent Salaries-Misc. | |
| 13 added | 13 | 8238 N | Police Communications Dispatcher.....SC | $1336B1618 |
| 3 added | 3 | 8239 N | Sr. Police Communications Dispatcher..SC | 1513B1835 |

APPROVED AS TO CLASSIFICATION:
CIVIL SERVICE COMMISSION

APPROVED AS TO FORM:
LOUISE H. RENNE, CITY ATTORNEY

By:

No. 11

#6457C

# Memorandum

San Francisco Police Department

To: Lieutenant Lawrence Ryan
Commanding Officer

From: John Kaye
Senior Analyst

Date: February 5, 1993

APPROVED YES NO

Subject: Justification for the 126 8238 Dispatcher Positions

We are currently allocated 113 8238-Dispatcher positions in our 1992-93 budget. We have requested an additional 13 positions in our 1993-94 budget.

Although we are allocated 113 dispatchers, we only have 86 full time equivalents currently on staff. They are supplemented by 16 police officers, who have been taken off their regular police assignments and by an average of 500 hours of overtime a pay period (this had been 800 hours until recently). The reduced average overtime equals 13,000 hours a year which, when divided by 1632 hours a year per full-time equivalent (FTE), comes to eight (8) full-time equivalents.

We are therefore functioning today with 110 FTEs and not approaching our response time goals i.e., answering 95% of all 0123 (non-emergency) calls within 45 seconds; answering 95% of all 911 (emergency) calls within 10 seconds and answering 75% of them within five (5) seconds.

In order to adequately staff Communications phone lines and the nine radio channels we would need 23 dispatchers for the day watch, 23 for the swing watch and 21 for the midnight watch. These 67 positions for 8 hours a day and 365 days a year would come to 120 FTEs (67 x 8hrs. x 365 - 195,640 divided by 1632 hours per year FTE - 120).

This number of 120 FTEs takes into consideration that employees use vacation time, sick time, and holidays off. It does not include people on long-term leaves be they maternity, personal, workers comp, SDI, or disciplinary leaves. There are eight dispatchers on leave at this writing.

This number of 120 FTEs does not consider the long lag-time between the hiring of a dispatcher and the eight to 12 months of training before they are ready to handle calls on their own. In the time it takes to train 14 dispatchers, seven veteran dispatchers will have left the Department.

In order to have 120 dispatchers working in Communications, the Department should budget at least 12 extra positions to compensate for long-term leaves and the training lag-time. In recognition of the fiscal constraints, the Department has elected to compromise with its request of 126 8238 Dispatchers.

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CALENDAR - Actions Taken

DOCUMENTS DEPT.
FEB 18 1993
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MEETING OF
BUDGET COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

WEDNESDAY, FEBRUARY 17, 1993 - 2:00 P.M. ROOM 228, CITY HALL

PRESENT: SUPERVISORS MIGDEN, HSIEH, SHELLEY

CLERK: KAY GULBENGAY

NOTE: Copies of the Budget Analyst's Report will be available for review on the counter in the Office of the Clerk of the Board, Room 235, City Hall, 10:00 a.m., the date of the meeting.

1. File 7-93-3. [Public Transportation] Resolution approving a revised fare schedule for the Municipal Railway. (Public Utilities Commission)

   ACTION: Hearing held. Recommended.

   File 7-93-3.1. Hearing held. Resolution prepared in and reported out of committee entitled: "Making a finding concerning proposed revisions of Municipal Railway fare schedule."
   Recommended.

2. File 101-92-18.1. [Release of Funds] Requesting release of reserved funds, Municipal Court, in the amount of $60,000, for professional services (Pretrial Services Resource Center, contractor). (Municipal Court)

   ACTION: Hearing held. Release of $45,000 recommended. Filed.

3. File 101-92-33. [Government Funding] Ordinance appropriating $2,132,044, Fire Department, for various capital improvement projects. RO #92135 (Controller)

   ACTION: Hearing held. Amended on page 1 lines 1 (in title) 8 and 13 by replacing "$2,132,044" with "$1,191,769"; on line 2 after "1992-93" by adding "; placing $623,350 on reserve."; further amended on line 10 by replacing "$1,000,000" with "$707,000"; on line 12 by replacing "$1,082,444" with "$435,169"; and on line 14 by adding "Section 2. Funds in the amount of $623,350 (including $573,750 for emergency generators contract and $49,600 for geotechnical study contract) are hereby placed on reserve pending selection of the contractors, and determination of the cost details and the MBE/WBE status of the contractors, to be released by the Budget Committee."

   New Title: "Appropriating $1,191,769 Fire Department, for various capital improvement projects for fiscal year 1992-93."
   Recommended as amended.

4. File 101-92-34. [Government Funding] Ordinance appropriating $1,500,000, Department of Public Works, for capital improvement project (Bayside Treatment Disposal Evaluation). RO #92137 (Controller)

ACTION: Hearing held. Amended on page 1 lines 1 (in title), 10 and 12 by replacing "$1,500,000" with "$1,274,771" on line 2 after "1992-93" by adding "; placing $225,229 on reserve."; further amended on line 13 by adding "Section 2. Funds in the amount of $225,229 (including $21,743 for contractual services for Monterey Bay National Marine Sanctuary and $203,486 for contractual services related to environmental site assessments) are hereby placed on reserve pending the selection of the contractors, and the MBE/WBE status of the contractors, to be released by the Budget Committee."

New Title: "Appropriating $1,274,771, Department of Public Works, for capital improvement project (Bayside Treatment Disposal Evaluation), for fiscal year 1992-93; placing $225,229 on reserve."
Recommended as amended.

5. File 101-92-35. [Government Funding] Ordinance appropriating $9,791,241, County Education Office - SFUSD, for capital improvement project (School Facilities Improvement). RO #92154 (Controller)

ACTION: Hearing held. Recommended.

6. File 101-92-40. [Government Funding] Ordinance appropriating $630,220, Airports Commission, for permanent salaries and related mandatory fringe benefits, for the creation of twenty-seven positions; companion measure to File 102-92-12. RO #92167 (Controller)

ACTION: Hearing held. Amended on page 1 lines 1, (in title) 9, and 15 by replacing "$630,220" with "$349,926"; on lines 2 and 16 by replacing "twenty seven (27)" with "twenty three (23)"; on line 11 by replacing "$519,844" with "$288,718"; on line 13 by replacing "$110,376" with "$61,208"; and further amended by deleting lines 22-25 and on page 2 by deleting lines 6-7; and on line 8 by replacing "27" with "23".

New Title: "Appropriating $349,926, Airports Commission, for permanent salaries and related mandatory fringe benefits, for the creation of twenty-three (23) positions."
Recommended as amended.

7. File 102-92-12. [Public Employment] Ordinance amending Annual Salary Ordinance, 1992-93, Airports Commission, reflecting the addition of twenty-seven positions (Classifications AA45 Telecommunications Coordinator (1), 1426 Senior Clerk Typist (1), 1446 Secretary II (1), 9202 Communications Dispatcher (8), 9203 Sr. Communications Dispatcher (2), 9209 Police Service Aide (13), 4318 Electronic Technician (1) (Civil Service Commission)

ACTION: Hearing held. Amended on page 1 line 2 (in title) by replacing "twenty-seven" with "twenty three"; and further amended by deleting lines 14-16 and 21.

New Title: "Amending Annual Salary Ordinance, 1992-93, Airports Commission, reflecting the addition of twenty-three positions - Classifications 9202 Communications Dispatcher (8), 9203 Sr. Communications Dispatcher (2), 9209 Police Service Aide (13)."
Recommended as amended.

8. File 100-93-2. Hearing to consider Joint Report by Mayor, Controller, and Budget Analyst regarding the 1993-94 fiscal budget year projected revenues and expenditures. (Supervisor Migden)
(Continued from 2/10/93)

ACTION: Hearing held. Continued to February 24, 1993 meeting.

9. File 100-93-3. [Budget] Motion authorizing and directing the Clerk of the Board of to file with the Controller the budget estimates for Fiscal Year 1993-94 for the Department of the Board of Supervisors. (Clerk of the Board)

ACTION: Hearing held. Recommended.

CITY AND COUNTY OF SAN FRANCISCO

# BOARD OF SUPERVISORS

BUDGET ANALYST
1390 MARKET STREET, SUITE 1025
SAN FRANCISCO, CALIFORNIA 94102 • TELEPHONE (415) 554-7642

February 12, 1993

**TO:** Budget Committee

**FROM:** Budget Analyst

**SUBJECT:** February 17, 1993 Budget Committee Meeting

Item 1 - File 7-93-3

**Department:** Public Utilities Commission (PUC)
Municipal Railway (MUNI)

**Item:** Resolution approving a revised fare schedule for the San Francisco Municipal Railway (pertaining to Section III, Special Events Service, and Section V, Regional Transfer arrangements).

**Description:** The proposed resolution would approve changes to the Municipal Railway (MUNI) Fare Schedule pertaining to special events and regional transfer arrangements. The proposed changes include:

a) The round trip adult cash fare to special events would increase by $1 from $4 to $5. Special events include SF 49er football and Giants baseball games at Candlestick Park, the Bay to Breakers race, special music concerts, etc.

b) The transit pass share of the cost of the Bay Area Rapid Transit (BART) Plus Pass sold for a half-month period, beginning on the 1st or 16th of the month, would increase by $4 from $10 to $14. The BART Plus Pass currently provides for unlimited use of MUNI and other Bay Area transit systems and limited use of BART depending on the total cost of the pass purchased. Currently the cost of the BART

Plus Pass ranges from $24 to $57 of which $10 is used as a transit pass for unlimited rides on MUNI and other Bay Area transit systems. The total purchase price of the BART Plus Pass is proposed to increase by $4 and would then range from $28 to $61 of which $14 would be the price for the transit pass.

For example a BART Plus Pass purchased for $28 would provide the buyer with a) $15 worth of BART fares at an actual cost of $14 based on a 6.25 percent discount provided by BART and b) unlimited rides on MUNI and other Bay Area transit systems at a cost of $14 during the two week period identified on the BART Plus Pass. The BART Plus Passes are sold at designated commercial outlets in areas served by transit operators participating in the BART Plus Pass Program.

c) The monthly transfer sticker for transfers from three other neighboring transit systems to MUNI would increase by $4 from $24 to $28. The monthly transfer sticker enables passengers of Golden Gate Transit, AC Transit and SamTrans unlimited access to MUNI during the designated month. The monthly transfer sticker must be affixed to either a 20 ride Golden Gate Transit Discount Ticket Book, a monthly AC Transit Transbay Pass or a monthly SamTrans Pass.

d) The cost of a MUNI cash transfer from BART, good for a round trip on MUNI to and from BART (to be purchased at BART stations in San Francisco) has been clarified to be "the price of a single trip adult fare" on MUNI. This would correct the current stated cost from $0.85 to $1.00, the present cost of a single trip cash fare on MUNI. The need for this change was inadvertently overlooked when other fare schedule revisions were approved by the Board of Supervisors in July, 1992 (File 7-92-3.1).

The proposed fare rate increases would become effective on March 1, 1993.

**Comments:**

1. In a letter dated January 28, 1993, Mr. Thomas Elzey of the PUC advised the Clerk of the Board of Supervisors that increasing the cost of a round trip adult fare for the Special Events Service by $1 from $4 to $5 is expected to yield an estimated $100,000 annually. However, based on a review of current revenues and discussions with PUC Finance personnel, the Budget Analyst concludes that the proposed fare increase is expected to yield an estimated $50,000 annually, and not $100,000 annually.

2. According to Mr. Elzey, this $1 fare increase for special events service has been proposed by MUNI and PUC primarily to reduce the time needed to board passengers by encouraging such passengers to use one $5 bill rather than four $1 bills. Each individual bill, whether a $1 or a $5 bill must be fed separately into the MUNI fare box. Thus, inserting a single $5 bill instead of four $1 bills would take an estimated 80 percent less time.

3. Ms. Kathleen Kelly of the PUC advises that the State requires adjoining transit agencies to implement and maintain transfer agreements that permit transit riders ready access between transit districts. If transfer agreements are not implemented and maintained, the State could withhold transportation funding allocated to transit agencies such as MUNI. Therefore, MUNI is participating in a mutually agreed upon decision among Bay Area transit operators to increase the cost of regional transfer passes and stickers.

4. Ms. Kelly also advises that the proposed $4 increase in the BART Plus Pass is expected to be mutually agreed to by all of the Bay Area transit operators, including AC Transit, SamTrans, BART Express (east Contra Cost County shuttle feeder buses to BART), The County Connection (east Contra Costa County), Dumbarton Express, Martinez Link, Santa Clara County Transit Local Service and Union City Transit that have agreements with BART to participate in the BART Plus Pass program. According to Ms. Kelly, based on a survey completed by BART personnel of BART Plus passengers, a total of 39 percent of the BART Plus Pass ridership has currently been attributed to MUNI. Therefore, MUNI would receive 39 percent of the proposed $4 fare increase, or $1.56, which PUC Finance has estimated would increase revenues to the MUNI by $187,200 annually. Based on a review of current revenues from the BART Plus Pass program, the Budget Analyst concurs with this revenue estimate.

5. Ms. Kelly also advises that the $4 increase to the MUNI transfer sticker program would increase MUNI revenues by $76,900 annually (Golden Gate Transit - $4,806, AC Transit - $48,063 and SamTrans - $24,031). The Budget Analyst concurs with this revenue estimate.

Item 2 - File 101-92-18.1

**Department:** Municipal Court

**Item:** Release of reserved funds for professional services

**Amount:** $60,000

**Source of Funds:** General Fund - General Reserve

**Description:** In December, 1992 the Board of Supervisors approved an ordinance (File 102-92-8) to amend the 1992-93 Annual Salary Ordinance to create a new limited term 0215 Bail Commissioner position for the Municipal Court. The Bail Commissioner is for a six-month pilot project to determine what effect such a Bail Commissioner position would have on reducing jail overcrowding. The companion legislation, a supplemental appropriation ordinance (File 101-92-18) provided funding for the new position and also provided $60,000 for the Municipal Court's Professional Services budget in order to retain a criminal justice consulting firm that has expertise in evaluating pretrial alternatives to jail sentences. The $60,000 was reserved pending selection of the consultant, determination of contract cost details, hourly rates, MBE/WBE status of the consultant and the status of a pending $20,000 National Institute of Corrections (NIC) grant that was intended to partially reduce the $60,000 expenditure from the General Fund for a consultant.

The Municipal Court Judges' Administration Committee has selected the Washington, D.C. firm, Pretrial Services Resource Center on a sole source basis to evaluate the effectiveness of the Bail Commissioner pilot project and pretrial alternatives to jail sentences in reducing jail overcrowding. The hours, hourly rates and budget for the Pretrial Services Resource Center consulting contract are as follows:

**Personnel**

| Position | Hourly Rate | No. of Hours | Amount |
|---|---|---|---|
| Director | $35.47 | 192 | $6,810 |
| Deputy Director | 32.00 | 128 | 4,096 |
| Staff Associate | 25.50 | 160 | 4,080 |
| Secretary | 13.16 | 80 | 1,053 |
| Subtotal-Salaries | | | $16,039 |
| Fringe Benefits (28.89 % of salaries) | | | 4,634 |
| Total - Personnel | | | $20,673 |

Operating Expenses

| | |
|---|---|
| Travel (8 trips at $1,526 per trip) | $12,208 |
| Rent | 4,837 |
| Supplies | 435 |
| Audit | 2,605 |
| Total - Operating Expenses | $20,085 |
| Administrative Overhead (36 % of Personnel) | $7,442 |
| **Total Consulting Contract** | $48,200 |

**Comments:**

1. As noted in the budget for the consultant above, only $48,200 rather than $60,000 is required for the consulting contract. However, the Budget Analyst notes that when the Municipal Court requested the $60,000 supplemental appropriation from the General Fund for the consulting contract, the Municipal Court indicated that the NIC grant, which was approved in the amount of $15,000, would be used to partially offset the cost of the consultant. Therefore, the $15,000 NIC grant should be used to offset the $48,200 consulting contract. The net effect would be to release only $33,200 ($48,200 total contract less offset of $15,000) of reserved funds for the consulting contract.

2. According to Mr. Gordon Park-Li, Clerk/Administrator for the Municipal Court, the Washington, D.C. firm, Pretrial Services Resource Center was selected on a sole source basis by the Municipal Court Judges based on a recommendation from a previous consultant used by the Municipal Court and because Pretrial Services Resource Center is a nationally recognized firm for analyzing pretrial services. Pretrial Services Resource Center is not a MBE or a WBE firm.

3. Although the $60,000 that is the subject of this request was specifically appropriated from the General Fund for consulting services, the Municipal Court requests that in addition to the $48,200 release of reserve for the consulting contract, the Board of Supervisors release an additional $11,800 for additional expenses associated with the Pilot Bail Commissioner Project. When added to the consulting contract cost of $48,200, the additional $11,800 would bring the total request for release of reserve to $60,000. The Municipal Court's explanation of these additional costs is attached.

**Recommendations**: 1. Release reserved funds in the net amount of $33,200 for the consulting contract ($48,200 total consulting contract less the $15,000 National Institute of Corrections (NIC) grant, as detailed in Comment No. 1). Continue to reserve $26,800 ($60,000 total reserved funds less recommended release of $33,200).

2. The Budget Analyst considers the additional $11,800, being requested by the Municipal Court for release, to be a policy matter for the Board of Supervisors since those funds were specifically reserved and appropriated from the General Fund for a consulting contract, but are now being requested for other expenses associated with the Municipal Court's Pilot Bail Commissioner Project, as described in Comment No. 3 and in the attachment submitted by the Municipal Court.

3. If the Budget Committee releases the additional $11,800, now being requested by the Municipal Court, $15,000 should still continue to be reserved ($60,000 original request less $48,200 cost for consulting contract less $11,800 additional request of Municipal Court less $15,000 grant funds approved by the National Institute of Corrections).

The $60,000 approved and placed on reserve by the Board of Supervisors, was requested by the Court to develop and assess the Court's Pilot Bail Commissioner Project. The pilot project is but one of several measures the Court is taking in an effort to help alleviate the City's jail overcrowding problem.

Based on the recommendations of all the consultants employed by the Court through grants funded by the National Institute of Corrections and the Court's Technical Assistant Project, the Directors of those funding sources; the Special Master for the City's jail overcrowding case; other knowledgeable sources; and in the interest of expediency; the Administrative Committee of the Municipal Court selected the Pretrial Services Resource Center as its consultant to assess the impact of the Court's Pilot Bail Commissioner Project. In addition to assessing the pilot project, the consultant will develop a proposed job description for a permanent bail commissioner, develop proposed guidelines for delegated release, review current practices of the OR Project, and assess other services or programs that might be appropriate to supervise pretrial releasees. These services would be provided within the $48,200 contract with the Pretrial Services Resource Center.

In addition to the assessment, the Court anticipates additional expenses associated with its Pilot Bail Commissioner Project. These estimated costs include:

$5,800 for training and site visits for judicial and management staff including travel,lodging, per diem, etc.

$3,000 for costs associated with the selection process for the eventual permanent full-time Bail Commissioner.

$3,000 to develop and implement a database tracking system to track individuals released on OR and/or to third parties.

In conclusion, the Court is requesting release of $45,000 ($60,000 less the NIC grant of $15,000).

Item 3 - File 101-92-33

**Department:** Fire Department

**Item:** Supplemental appropriation ordinance to appropriate interest earned on bond proceeds to various capital improvement projects.

**Amount:** $2,132,044

**Source of Funds:** Interest earned on balances of 1986 Fire Protection System Improvement Bonds proceeds between the time that the bonds were sold and the time that the bond proceeds were expended.

**Description:** In November of 1986, San Francisco voters approved the issuance of $46.2 million in Fire Protection System Improvement Bonds (Proposition A) to finance improvements to the City's Auxiliary Water Supply System (AWSS). The AWSS is a system of reservoirs, pipelines, and pump stations which will provide a source of water for fire protection in the event that the main water supply system fails, as it did following the 1906 earthquake.

The City sold $31 million of these bonds in 1987 and the $15.2 million balance ($46.2 less $31 million) of the bonds in 1991. However, although the bonds were sold and the proceeds were appropriated, the proceeds were not immediately expended. The proposed supplemental appropriation ordinance would appropriate the accumulated interest that has been earned on the bond proceeds between the time that the bonds were sold and the time that the proceeds were actually expended.

The proposed supplemental appropriation ordinance would appropriate $2,132,044 of interest earned for capital improvement projects associated with the AWSS, as follows:

**Emergency Generators** **$1,000,000**

Electrical generators would be purchased and installed at 20 Fire Stations. The estimated cost per electrical generator is $50,000. In an emergency, when regular electricity service fails, these emergency generators would provide the electricity for operating the Fire Stations, which become a congregating place for neighborhood residents, as well as keeping the emergency communications equipment operational.

The 20 Fire Stations are as follows:

| Fire Station | Address |
|---|---|
| Station 20 | 285 Olympia Way |
| Station 22 | 1290 - 16th Avenue |
| Station 23 | 1348 - 45th Avenue |
| Station 24 | 100 Hoffman Street |
| Station 25 | 3305 - 3rd Street |
| Station 26 | 80 Digby Street |
| Station 28 | 1814 Stockton Street |
| Station 29 | 299 Vermont Street |
| Station 32 | 194 Park Street |
| Station 33 | 8 Capitol Avenue |
| Station 34 | 499 - 41st Avenue |
| Station 37 | 798 Wisconsin Street |
| Station 39 | 1091 Portola Boulevard |
| Station 41 | 1325 Leavenworth Street |
| Station 42 | 2430 San Bruno Avenue |
| Station 43 | 720 Moscow Street |
| Station 44 | 1298 Girard Street |
| Arson Task Force | 676 Howard Street |
| Bureau of Equipment | 2501 - 25th Street |
| Station 49 - Fireboat | Pier 22-1/2 (foot of Harrison St.) |

**Geotechnical Study** **49,600**

The City's two fireboats, the Phoenix and the Guardian, are berthed at the Port at Pier 22 1/2, also known as Fire Station 49. In order to seismically strengthen Fire Station 49 to withstand earthquakes, a geotechnical study is needed to determine the special requirements for strengthening both a building and the pier that is the foundation for the building.

**Cisterns** **1,082,444**

Seven new cisterns are to be constructed in the Richmond, Sunset and Marina Districts. The estimated total costs for the seven new cisterns is $3,214,573. However, only $2,132,129 remains of the bond proceeds that were specifically appropriated for cistern construction. Therefore, the Fire Department proposes to appropriate the needed balance of

$1,082,444 balance of the project cost ($3,214,573 estimated total cost less $2,132,129 already funded) from interest earned on the bonds.

**Total** **$2,132,044**

**Comments:**

1. Mr. Bob Jew of the Department of Public Works, Bureau of Engineering advises that the revised estimate of the cost of the proposed emergency generators to be purchased and installed at 20 Fire Stations is $707,000. Therefore, the proposed supplemental appropriation for the 20 emergency generators should be reduced by $293,000 from $1,000,000 to $707,000, as follows:

| | |
|---|---|
| Design | $133,250 |
| Construction Management | 133,250 |
| Construction Contract | 855,000 |
| Const. Contract Contingency (10%) | 85,500 |
| Total Cost | $1,207,000 |
| Less State of California Funding | 500,000 |
| Net Cost | $ 707,000 |

Mr. Jew reports that the construction contractor has not been selected. Therefore, the proposed supplemental appropriation ordinance should be amended to reserve a total of $573,750 including $133,250 for Construction Management, $855,000 for the Construction Contract, $85,500 for the Contingency less the $500,000 from the State, pending selection of the contractor, the MBE/WBE status of the contractor and the contractor's cost details. Mr. Jew concurs with this proposed reserve of funds.

4. The $49,600 proposed supplemental appropriation for the geotechnical study should be reserved until the consultant is selected to perform the study and information on cost details (including hourly rates) and MBE/WBE status are provided.

5. Mr. Jew also advises that the revised estimate of the cost for the seven new cisterns is as follows:

| | |
|---|---|
| Construction Management | $309,800 |
| Archaeological Monitoring | 62,853 |
| Construction Contract | 1,992,405 |
| Const. Contract Contingency (10%) | 199,240 |
| Total Cost | $2,564,298 |

| | |
|---|---|
| Less previously appropriated bond funding for this project | $2,129,129 |
| Net Cost | $435,169 |

Therefore, the proposed supplemental appropriation should be further amended to reduce the appropriation for Cistern construction by $647,275 from $1,082,444 to $435,169.

5. The following six bids were received on February 3, 1993 for the construction of the seven cisterns:

| | |
|---|---|
| Homer J. Olsen, Inc. | $1,985,750 |
| Stacy & Witbeck/John Jenkins Construction(MBE and a joint venture) | 1,992,405 |
| Dan Caputo Company | 2,077,640 |
| A. Ruiz Construction & Assoc., Inc. (MBE and a joint venture) | 2,162,320 |
| D'Arcy & Harty/San Luis Construction (MBE and a joint venture) | 2,374,110 |
| Nationwide/Shimmick (MBE and a joint venture) | 2,610,225 |

The joint venture of Stacy & Witbeck and John Jenkins Construction was selected as the low bidder after inclusion of credit for MBE and joint venture status.

**Recommendations:** 1. Amend the proposed supplemental appropriation ordinance to reduce the requested amount by a total of $940,275 (including a reduction for the emergency generators of $293,000 and a reduction for the cisterns of $647,275) from the requested $2,132,044 to $1,191,769.

2. Further amend the proposed supplemental appropriation ordinance to reserve a total of $623,350 including $573,750 for the emergency generators contract and $49,600 for the geotechnical study contract pending selection of the contractors, and determination of the cost details and the MBE/WBE status of the contractors.

3. Approve the proposed supplemental appropriation ordinance as amended.

Item 4 - File 101-92-34

**Department:** Department of Public Works (DPW)
Bureau of Engineering (BOE)

**Item:** Supplemental appropriation ordinance for capital improvement project (Bayside Treatment Disposal Evaluation)

**Amount:** $1,500,000

**Source of Funds:** 1988 Sewer Revenue Bonds

**Description:** In the early 1970s, the City and County of San Francisco developed a long-range master plan to construct facilities for control of combined sewer overflows from the City sewerage system in response to Federal and State law. This plan, known as the Wastewater Master Plan, was approved in concept by the San Francisco Board of Supervisors in 1975.

The Bayside Facilities are an interdependent system of transport, storage, pumping and treatment elements designed to reduce the episodes of sewer overflows. A majority of these facilities have been planned, designed and constructed. The Attachment shows the various elements of the Bayside Facilities and their status.

The proposed supplemental appropriation ordinance would provide funds for a planning project to complete various studies, and prepare appropriate documents in accordance with Federal and State guidelines to determine the best options and/or combinations for treatment, disposal and reuse of Bayside dry and wet weather wastewater. These issues involve the following:

1. The Regional Water Quality Control Board's Revised Basin Plan for the Bay Area includes new and more stringent requirements for discharge of sewage overflow into the Bay and Ocean;

2. The discharge of treated effluent to Islais Creek during the wet weather does not comply with the Basin Plan;

3. The drought has caused the City to consider reusing rather than discharging wastewater.

The Board of Supervisors previously approved a supplemental appropriation ordinance (Ordinance No. 365-91) appropriating $750,000 to fund these same planning activities. However, the DPW reports that the amount of these funds was insufficient,

and that an additional $1,500,000 is needed to cover previous unfunded activities and to expand the workscope of the project. Specifically, the DPW reports that the proposed funds would be used for DPW staff and contracts as follows:

| | |
|---|---|
| Water Quality Studies | |
| DPW Staff | $177,813 |
| Hydroconsult Engineers Contract | 22,187 |
| Subtotal | $200,000 |
| | |
| Impact Study- Monterey Bay National Marine Sanctuary | |
| DPW Staff | $123,257 |
| CH2M Hill Contract | 55,000 |
| Other Contractual Services | 21,743 |
| Subtotal | $200,000 |
| | |
| Elimination of Bay Discharge Feasibility Study | |
| DPW Staff | $201,617 |
| | |
| EIR Report Activities | |
| DPW Staff | $123,480 |
| EIP Associates Contract | 90,000 |
| Subtotal | $213,480 |
| | |
| Public Participation Activities | |
| DPW Staff | $1,212 |
| Parsons Deleuw Contract | 68,330 |
| Business Development Inc. Contract | 36,963 |
| Subtotal | $106,505 |
| | |
| Environmental Site Assessments | |
| DPW Staff | $88,154 |
| Baseline Environmental Consulting Contract | 27,218 |
| Camp Dresser & McKee Contract | 29,620 |
| Harding Lawson Associates Contract | 29,920 |
| Other Contractual Services | 203,486 |
| Subtotal | $378,398 |
| | |
| City Departmental Work Orders | |
| City Attorney | $50,000 |
| City Planning | 50,000 |
| Parking and Traffic | 75,000 |
| Real Estate | 25,000 |
| Subtotal Work Orders | $200,000 |
| | |
| Total Proposed Supplemental Funds | $1,500,000 |

**Comments:**

1. The proposed supplemental funds would be used to fund a total of 12,360 hours for existing DPW Staff from the requested funds of $1,500,000. The hourly rates and estimated overhead for DPW Staff who would be funded are as follows:

| Class | Position | Hourly Rate | Total Rate With DPW Overhead |
|---|---|---|---|
| 5506 | Project Mgr. III | $42.26 | $72.18 |
| 5206 | Assoc. Civil Eng. | 28.71 | 49.04 |
| 5280 | Planner III | 26.69 | 45.59 |
| 5249 | Sr. Sanitary Eng. | 38.50 | 65.76 |
| 5258 | Sr. Mech. Engineer | 38.50 | 65.76 |
| 5248 | Sanitary Engineer | 33.25 | 56.79 |
| 5247 | Assoc. Sanitary Eng. | 28.71 | 49.04 |
| 5204 | Asst. Civil Engineer | 24.20 | 41.33 |
| 6106 | Sanitary Eng. Tech. | 22.28 | 38.05 |
| 5362 | Civil Eng. Asst. | 20.23 | 34.55 |
| 7373 | Sr. Stationary Eng. | 27.08 | 46.25 |
| 5210 | Sr. Civil Engineer | 38.50 | 65.76 |
| 5208 | Civil Engineer | 33.25 | 56.79 |

2. Water Quality Studies — As noted above, $22,187 would be provided to Hydroconsult Engineers to perform water quality studies for the proposed project. These services would be performed under an existing master agreement. Hydroconsult Engineers is neither an MBE or WBE firm. The hourly rates, including overhead, for Hydroconsult Engineers are as follows:

| Position | Hourly Rate |
|---|---|
| Principal | $131.25 |
| Engineer | 80.00 |
| Secretary | 40.00 |

3. Impact Study-Monterey Bay National Marine Sanctuary — $55,000 would be provided to CH2M Hill to provide services related to the Monterey Bay National Marine Sanctuary. According to Mr. Mike Quan of the DPW's Bureau of Engineering, these services would be provided under an existing contract, and the amount was negotiated on a not to exceed basis. CH2M Hill is neither an MBE or WBE firm. $21,743 would be used for additional contractual services which have not yet been identified. Therefore, the $21,743 should be reserved pending finalized cost details.

4. EIR Report Activities — $90,000 would be provided to EIP Associates to perform Environmental Impact Report (EIR) activities. Mr. Quan indicates that the proposed $90,000 in supplemental funds would cover the consultant's costs associated with printing the draft EIR preparing responses to public comments received on the draft EIR, and mailing expenses. These services would be provided under EIP Associates existing contract with the DPW. EIP Associates is neither a City-certified MBE or WBE firm. The proposed hourly rates, including overhead, are as follows:

| Position | Hourly Rate |
|---|---|
| Project Director | $128.80 |
| Project Manager | 72.80 |
| Technicians | 56.00 |

5. Public Participation Activities — $68,330 would be provided to Parsons Deleuw to provide public information services such as preparing public notices, handouts, and setting up meetings. These services would be provided under an existing master agreement with the firm. Parsons Deleuw is neither an MBE or WBE firm. The proposed hourly rates, including overhead, are as follows:

| Position | Hourly Rate |
|---|---|
| Public Info.. Officer | $45.45 |
| Asst. Public Info. Officer | 30.83 |
| Coordinator Public Affairs | 51.64 |

6. Public Participation Activities — $36,963 would be provided to Business Development Inc. for public participation services, or community liaison activities. These services would be provided under an existing master agreement. Business Development Inc. is a City-certified MBE firm. The proposed hourly rates, including overhead, are as follows:

| Position | Hourly Rate |
|---|---|
| Project Manager | $87.28 |
| Project Coordinator | 48.07 |
| Secretary | 33.19 |

7. Environmental Site Assessments — According to Mr. Quan, the three consultants contracts for environmental site assessment services would perform investigative services and prepare reports that would be incorporated into the draft EIR. Mr. Quan reports that these contracts were negotiated on a not to exceed basis. All three firms have existing master agreements with the DPW. Baseline Environmental Consulting ($27,218) is registered as a WBE firm, but is

located in Emeryville and therefore is not a City-certified firm. Camp Dresser & McKee ($29,620) and Harding Lawson Associates ($29,920) are neither MBE or WBE firms. Baseline Environmental Consulting and Harding Lawson Associates have submitted their cost estimates based upon tasks, such as sampling, analyses and report writing, and therefore hourly rates were not available. Camp Dresser and McKee would provide 336 direct labor hours at an average hourly rate of approximately $88.16.

8. Environmental Site Assessments — As noted, $203,486 would be provided for other contractual services related to the environmental site assessment, but these consultants have not yet been selected. Therefore, a total of $203,486 should be reserved pending the selection of a contractor, the MBE/WBE status of the contractor and finalized cost details.

9. City Departmental Work Orders — A total of $200,000 would be provided for various City departmental work orders. The City Attorney;s Office would use $50,000 of the proposed funds to provide legal opinions. The Department of City Planning would provide services costing $50,000 which relate to planning issues. The Department of Parking and Traffic would assist on the preparation and review of traffic impact studies, costing $75,000. The Department of Real Estate would provide services costing $25,000 relative to possible required land transactions.

10. The Budget Analyst is currently conducting a management audit of the Clean Water Enterprise that includes an evaluation of engineering-related professional service contracts, competitive vendor selection procedures and the use of City staff versus consultants for capital projects.

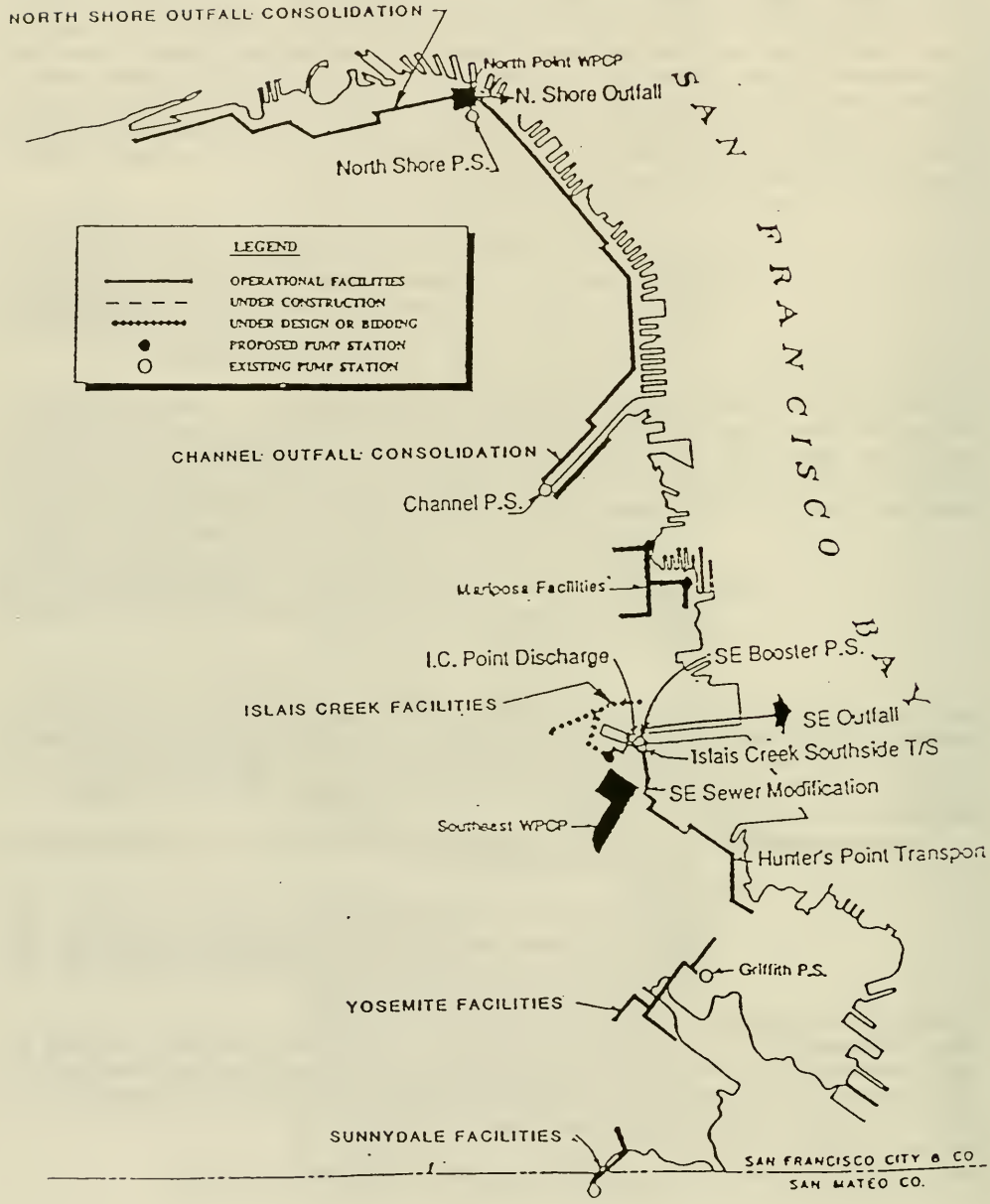
**Recommendation:** 1. Amend the proposed ordinance to reserve a total of $225,229 consisting of the following:

• $21,743 for other contractual services related to the Monterey Bay National Marine Sanctuary pending the selection of a contractor, the MBE/WBE status of the contractor and finalized cost details;

• $203,486 for other contractual services related to environmental site assessments pending the selection of a contractors, the MBE/WBE status of the contractors and finalized cost details.

2. Approve the proposed ordinance as amended.

# BAYSIDE CSO CONTROL FACILITIES



Item 5 - File 101-92-35

**Department:** San Francisco Unified School District (SFUSD)

**Item:** Supplemental Appropriation Ordinance to appropriate bond proceeds.

**Amount:** $9,791,241

**Source of Funds:** Proceeds from interest revenue earned from Public School Facilities System Improvement Bonds of 1988 (being sold as Series 1991A)

**Description:** Proceeds from the Public School Facilities System Improvement Bonds of 1988 are appropriated by the Board of Supervisors because the bonds were originally issued by the City and County of San Francisco on behalf of the San Francisco Unified School District.

A total of $90.0 million of Public School Facilities System Improvement Bonds were approved by the electorate in June 1988 and issuance of these bonds was previously authorized by the Board of Supervisors (File 318-87-6). In July, 1988, $35.0 million of these bonds were sold and proceeds were appropriated by a supplemental appropriation ordinance (File 101-88-45). In December, 1990, the Board of Supervisors authorized the sale of the remaining $55.0 million (File 170-90-14) and in January, 1991, and the proceeds of this second sale of bonds were appropriated by a second supplemental appropriation ordinance (File 101-90-39).

The purpose of the Public School Facilities System Improvement Bonds of 1988 was to provide various improvements (as detailed on the following page) of the existing public school facilities of the City and County of San Francisco.

The proposed Supplemental Appropriation Ordinance would use proceeds from interest revenue totaling $9,791,241 from the investment of bond proceeds between the time that the original bonds were sold (July, 1988) to the time that the bond funds were actually expended (June, 1992). The requested $9,791,241 in interest revenue will be expended for capital improvement projects at various SFUSD elementary schools (ES), middle schools (MS), high schools (HS) and Children Centers (CC), as follows:

| Project Description and Location | Target Date | Estimated Project Cost |
|---|---|---|
| **Asbestos Abatement** | | |
| Commodore Stockton (ES) | Summer 1993 | $33,000 |
| John Swett (ES) | Summer 1993 | 50,000 |
| Mirolama (ES) | Spring 1993 | 40,000 |
| Visitacion Valley (ES) | Spring, Summer 1993 | 31,400 |
| Aptos (MS) | Spring 1993 | 157,000 |
| James Denman (MS) | Spring 1993 | 317,900 |
| James Lick (MS) | Summer 1993 | 167,900 |
| Balboa & Center for Independent Study (HS) | Summer 1993 | 250,000 |
| Downtown (HS) | Spring 1993 | 317,900 |
| Galileo (HS) | Spring 1993 | 75,000 |
| John O'Connell @ Mark Twain (HS) | Spring 1993 | 31,000 |
| School of the Arts/Bay | Summer 1993 | 236,000 |
| Subtotal | | $1,707,100 |
| **Electrical Work - Lighting** | | |
| Roosevelt (MS) | Summer 1993 | $350,000 |
| Mission (HS) | Summer 1993 | 400,000 |
| Subtotal | | $750,000 |
| **Heat and Ventilation Upgrade** | | |
| Galileo (HS) | Summer 1993 | $700,000 |
| School of the Arts/Bay (HS) | Spring 1993 | 350,000 |
| Subtotal | | $1,050,000 |
| **Roof Replacement** | | |
| Laguna Golden Gate (OC) | Summer 1993 | $21,000 |
| Monroe (ES) | Summer 1993 | 50,000 |
| Visitacion Valley (ES) | Summer 1993 | 220,000 |
| Roosevelt (MS) | Summer 1993 | 413,500 |
| Abraham Lincoln (HS) | Winter 1993 | 500,000 |
| Lowell (HS) | Summer 1993 | 247,100 |
| School of the Arts/Bay (HS) | Summer 1993 | 290,800 |
| Subtotal | | $1,742,400 |
| **Toilet Rehabilitation/ Plumbing Upgrade** | | |
| Golden Gate (ES) | Summer 1993 | $293,400 |
| John Muir (ES) | Summer 1993 | 200,100 |
| Lakeshore (ES) | Summer 1993 | 340,000 |
| Visitacion Valley (ES) | Summer 1993 | 93,500 |
| Roosevelt (MS) | Summer 1993 | 283,400 |
| Abraham Lincoln (HS) | Summer 1993 | 34,100 |
| Balboa & Center for Individual Study (HS) | Summer 1993 | 400,000 |
| Galileo (HS) | Spring 1993 | 490,141 |
| Subtotal | | $2,134,641 |

| Project Description and Location | Target Date | Estimated Project Cost |
|---|---|---|
| **Window Sash Replacement** | | |
| Hawthorne (ES) | Summer 1993 | $288,000 |
| Longfellow (ES) | Summer 1993 | 198,000 |
| Starr King (ES) | Summer 1993 | 95,000 |
| Presidio (MS) | Spring 1993 | 208,000 |
| MIssion (HS) | Spring 1993 | 218,100 |
| Subtotal | | $1,007,100 |
| **Reconstruction** | | |
| Sheridan (ES) | Winter 1993 | $1,400,000 |
| Total Capital Improvement Projects | | $9,791,241 |

**Comments:**

1. Mr. Robert Golton of the San Francisco Unified School District (SFUSD) advises that the $1,400,000 allocation for the reconstruction of the Sheridan Elementary School will be matched with an equal amount of grant funds from the State of California, Office of General Services. The combined total of $2,800,000 would be used to replace approximately 18 temporary buildings at the Sheridan Elementary School with permanent structures.

2. The SFUSD reports that as of June 30, 1992, a total of $9,847,432 has been earned from interest on the subject bonds which is $56,191 ($9,847,432 less $9,791,241) greater than the amount of the proposed supplemental appropriation. Further, during the six-month period, July, 1992 through December, 1992, an additional $895,641 of interest was earned from the 1988 School Improvement Bond Fund. Therefore, as of December 1992, the additional interest earned totals $951,832 ($895,641 plus $56,191) in addition to the $9,791,241 which is the subject of the proposed supplemental appropriation ordinance for a total of $10,743,073 in interest earnings through December, 1992.

3. The $951,832 balance of interest reserve, plus interest earned on the bond proceeds balance after December, 1992 would be subject to future appropriation approval of the Board of Supervisors prior to the expenditure of such funds.

**Recommendation:** Approve the proposed supplemental appropriation ordinance.

Items 6 and 7 - Files 101-92-40 and 102-92-12

**Department:** San Francisco International Airport

**Items:** Supplemental Appropriation Ordinance (Item 6, File 101-92-40) to fund 27 new positions.

Ordinance (Item 7, File 102-92-12) to amend the FY 1992-93 Annual Salary Ordinance by adding 27 positions.

**Amount:** $630,220

**Source of Funds:** Airport Operating Fund - Unappropriated Revenue

**Description:** The proposed ordinance (File 102-92-12) to amend the FY 1992-93 Annual Salary Ordinance would create 27 new permanent positions as follows:

| No. | | Classification | Biweekly Salary Range | Maximum Annual Salary at Top Step |
|---|---|---|---|---|
| 1 | AA45 | Telecommunications Coordinator | $2,091 | $54,575 |
| 1 | 1426 | Senior Clerk Typist | 1,047-1,267 | 33,069 |
| 1 | 1446 | Secretary II | 1,158-1,401 | 36,566 |
| 8 | 9202 | Airport Commun. Dispatcher | 1,273-1,543 | 322,176 |
| 2 | 9203 | Airport Sr. Commun Dispatcher | 1,401-1,698 | 88,636 |
| 13 | 9209 | Police Service Aide | 1,109-1,342 | 455,338 |
| 1 | 4318 | Electronic Maint. Technician | 2,043-2,483 | 64,806 |
| 27 | | | | $1,055,166 |

The proposed supplemental appropriation ordinance (File 101-92-40) would fund the proposed 27 new permanent positions for the six-month period from January 1, through June 30, 1993, at Step 5, with the exception of the AA45 Telecommunications Coordinator position, which is a single-step classification, and the 4318 Electronic Maintenance Technician position, which would be funded at Step 1, as follows:

| | | | |
|---|---|---|---|
| 1 | AA45 | Telecom Coord. (1 x $2,091 x 13.0 bwpp) | $27,183 |
| 1 | 1426 | Sr. Clerk Typist (1 x $1,267 x 13.0 bwpp) | 16,471 |
| 1 | 1446 | Secretary II (1 x $1,401 x 13.0 bwpp) | 18,213 |
| 8 | 9202 | Comm. Dispatc. (8 x $1,543 x 13.0 bwpp) | 160,472 |
| 2 | 9203 | Sr. Comm. Disp.(2 x $1,698 x 13.0 bwpp) | 44,148 |
| 13 | 9209 | Police Ser. Aide(13 x $1,342 x 13.0 bwpp) | 226,798 |
| 1 | 4318 | Elec. Main Tech. (1 x $2,043x 13.0 bwpp) | 26,559 |
| | | Subtotal - Permanent Salaries | $519,844 |
| | | Subtotal - Mandatory Fringe Benefits (21.2 percent) | 110,376 |
| | | Total - Personnel | $630,220 |

On December 15, 1992, the Airports Commission approved Resolution No. 92-0315 authorizing the Director of Airports to request a supplemental appropriation to fund 27 new security-related positions in the Airport's Operations Division. As stated in Resolution No. 92-0315, the new security-related positions are to enhance access control to and from the Airport's enplaning areas, in compliance with new requirements promulgated in FAA Regulation 107.14, dated January 6, 1989.

FAA Regulation 107.14, titled "Access Control System," requires that airports "serving scheduled passenger operations conducted in airplanes having a passenger seating configuration of more than 60 seats shall submit to the Director of Civil Aviation Security, for approval and inclusion in its approved security program, an amendment to provide for a system, method, or procedure which meets the requirements specified in this paragraph for controlling access to secured areas of the airport." FAA Regulation 107.14 further requires that "The system, method, or procedure shall ensure that only those persons authorized to have access to secured areas by the airport operator's security program are able to obtain that access and shall specifically provide a means to ensure that such access is denied immediately at the access point or points to individuals whose authority to have access changes." According to Ms. Angela Gittens of the Airport, the objective of Regulation 107.14 is to place further restrictions on the enplaning areas of the airfield.

FAA Regulation 107.14 required that each airport, of the size category in which San Francisco International Airport is included, submit an amendment to its approved security program by August 8, 1989, and that the amendment must specify that the access system would be operational within 18 months of the date on which the amendment was approved by the Director of Civil Aviation Security. For San Francisco International Airport, the date on which the required approved access procedures would have been effective was by early 1991, as determined by the length of the FAA's approval process. However, according to Ms. Gittens, the Airport's originally required dates for implementation of the security access procedures were extended by the FAA to December of 1992.

Ms. Gittens reports that the Airport has implemented its approved security access procedures and that those

procedures consist of the following: (1) adding two airfield security checkpoints, which was implemented in December of 1992, and (2) closely monitoring the 159 doors in the three Airport terminal buildings that exit into restricted areas, which was implemented in August of 1992.

Ms. Gittens reports that the Airport has installed a new electronic access control system with surveillance cameras and three monitor stations for monitoring the 159 doors at all times. The Airport is requesting eight additional Airport Communications Dispatcher positions and two additional Senior Airport Communications Dispatcher positions to perform the monitoring function. The Airport is currently authorized a total of 30 Communication Dispatcher positions and eight Senior Airport Communications Dispatcher positions (See Comment No. 3).

Ms. Gittens reports that each of the two airfield security checkpoints, which control access to the airfield operations area, are required to be staffed by two Police Service Aides at all times. The Airport is requesting a total of 13 additional Police Service Aide positions to staff the two airfield security checkpoints in order to provide the required staffing. The Airport is currently authorized a total of 80 Police Service Aide positions (See Comment No. 3).

The Airport has provided the Budget Analyst with the following justification for the seven position classifications, totalling 27 new positions, as follows:

**AA45 Telecommunications Coordinator; (1 New Position)**
This position would be responsible for managing the development of the Strategic Telecommunications Plan for the Airport. Specific duties of the proposed position include defining telecommunications equipment and services needs, such as voice processing, voice and data switching, computerized paging; identifying and developing telecommunications strategies to reduce and stabilize costs and improve the quality and reliability of services; and evaluating telecommunications equipment and services for possible use by the Airport.

**1446 Secretary II; (1 New Position)**
This position would provide additional secretarial assistance needed due to the additional responsibilities required of the Landside Operations Office, which includes the subject Security Access Program required by FAA Regulation 107.14; the implementation of the Americans With Disabilities Act of

1990; and San Mateo County's Transportation Systems Management/Congestion Reduction Program.

1426 Senior Clerk Typist: (1 New Position)
This position would work under the supervision of the Secretary II to prepare a variety of operating, financial, purchasing, and accounting records and reports. The position would have responsibility for conducting established office operations; interfacing with other departmental personnel; and preparing and reviewing office records and reports.

4318 Electronic Maintenance Technician: (1 New Position)
This position would provide maintenance on electronic equipment at the Airport. The Airport has over 2,000 pieces of electronic equipment that are near the end of the warranty period, in addition to recently installing approximately 175 video cameras and miles of wire and fiber optic cable. The requested position is required to maintain this equipment to FAA standards, and is the first of two to three additional electronic maintenance technician positions that Airport management intends to request in the next two or three years.

9202 Airport Communications Dispatcher: (8 New Positions)
These positions would be responsible for monitoring surveillance screens that have been installed to provide security coverage for 159 access doors that require additional coverage as a result of FAA Regulation 107.14. Eight additional Airport Communications Dispatcher positions are needed to quickly, efficiently, and safely handle all alarm activations.

9203 Senior Airport Communications Dispatcher: (2 New Positions)
These positions are required to augment the responsibility for supervising the 9202 Airport Communications Dispatchers, given the need for the additional Airport Communications Dispatcher positions. The Senior Airport Communications Dispatchers are accountable for the operation of the Communications Center during each work shift. The Senior Airport Communications Dispatchers also provide all training for the Airport Communications Dispatchers (9-month initial and on-going, recurrent training).

9209 Airport Police Services Aide ; (13 New Positions)
These positions are required to provide security guard and parking enforcement services. Specifically, the requested positions would staff two checkpoints to control access within the Airport Operations Area in order to prevent unauthorized access to the enplaning areas.

**Comments:**

1. Item 7, File 102-92-12, refers to the requested Electronic Maintenance Technician position as Civil Service Classification Number 4318. The actual Civil Service Classification Number for the Electronic Maintenance Technician position is 7318. The proposed ordinance should be amended to recognize the correct classification number.

2. The proposed supplemental appropriation ordinance should be reduced by $208,457 from $630,220 to $421,763 to reflect that the starting date for these new positions would be March 2, 1993, and not January 1, 1993 as has been requested. The required funding for the period March 2, 1993, through June 30, 1993, (8.7 biweekly pay periods), is as follows:

Permanent Salaries-

| | | | |
|---|---|---|---|
| 1 | AA45 | Telecom Coord. (1 x $2,091 x 8.7 bwpp) | $18,192 |
| 1 | 1426 | Sr. Clerk Typist (1 x $1,267 x 8.7 bwpp) | 11,023 |
| 1 | 1446 | Secretary II (1 x $1,401 x 8.7 bwpp) | 12,189 |
| 8 | 9202 | Comm. Dispatc. (8 x $1,543 x 8.7 bwpp) | 107,393 |
| 2 | 9203 | Sr. Comm. Disp.(2 x $1,698 x 8.7 bwpp) | 29,545 |
| 13 | 9209 | Police Ser. Aide(13 x $1,342 x 8.7 bwpp) | 151,780 |
| 1 | 4318 | Electronic Tech. (1 x $2,043x 8.7 bwpp) | 17,774 |
| | | Subtotal - Permanent Salaries | $347,896 |
| | | Subtotal - Mandatory Fringe Benefits (21.2 percent) | 73,867 |
| | | Total - Personnel | $421,763 |

3. The following table shows the number of positions in the affected position classifications authorized in the Airport's budgets for the fiscal years indicated:

| Fiscal Year | 1426 Sr. Clk. Typist | 1446 Sec. II | 9202 Comm. Dispatch. | 9203 Sr. Comm. Dispatch. | 9209 Police Svc. Aide | 7318 Elect. Maint Tech | AA45 Tele. Coord. | Total |
|---|---|---|---|---|---|---|---|---|
| 91-92 | 8 | 22 | 30 | 8 | 80 | 4 | 0 | 152 |
| 92-93 | 8 | 20 | 30 | 8 | 80 | 5 | 0 | 151 |
| Proposed Totals | 9 | 21 | 38 | 10 | 93 | 6 | 1 | 178 |

4. Ms. Gittens reports that the Airport has actually filled the Airport Police Services Aide, Airport Communications Dispatcher, and Senior Airport Communications Dispatcher positions using Temporarily Exchanged (TX'd) Airport Police Officer positions. According to Ms. Gittens, the positions for the Telecommunications Coordinator, Senior Clerk Typist, Secretary II, and the Electronic Maintenance Technician have not been filled.

5. Based on the requirement to staff two security access checkpoints with two employees each on a 24-hour per day basis and using customary assumptions for sick pay, annual leave, training, etc., the Budget Analyst has calculated that a total of 21.5 Airport Police Services Aide positions would be required. The Airport is requesting an additional 13 Airport Police Services Aide positions.

6. Based on the requirement to staff three surveillance monitoring positions on a 24-hour per day basis and using customary assumptions for sick pay, annual leave, training, etc., the Budget Analyst has calculated that a total of 16.1 Airport Communications Dispatcher positions would be required. The Airport is requesting an additional eight Airport Communications Dispatcher positions.

7. Staffing for the administrative, maintenance, and telecommunications planning positions whose proposed duties extend beyond the strict requirements of the new FAA regulations is more a matter of judgment. The Budget Analyst recommends that consideration of the request for adding the following four positions to the Airport's budget be deferred until the FY 1993-94 budget period, when the request can be analyzed in the context of the Airport's complete budget request:

| | |
|---|---|
| AA45 | Telecommunications Coordinator |
| 1426 | Senior Clerk Typist |
| 1446 | Secretary II |
| 4318 | Electronic Maintenance Technician |

**Recommendations:** 1. Amend the proposed ordinance (File 102-92-12) to change the classification number for the Electronic Maintenance Technician position from 4318 to 7318.

2. In accordance with Comment No. 7 above, amend the proposed amendment to the Annual Salary Ordinance (File 102-92-12) to delete the following four proposed new positions:

| | |
|---|---|
| AA45 | Telecommun. Coordinator |
| 1426 | Senior Clerk Typist |
| 1446 | Secretary II |
| 4318 | Electronic Maintenance Tech. |

3. Reduce the proposed supplemental appropriation ordinance (File 101-92-40) by $107,172 from $630,220 to $523,048 to reflect the proposed deletion of four requested positions.

4. Further reduce the proposed supplemental appropriation ordinance (File 101-92-40) by $173,122 from $523,048 to $349,926 to reflect that funds are needed for the remaining 23 proposed positions for 8.7 pay periods rather than for 13.0 pay periods.

5. Approve the proposed ordinances as amended.

Item 8 - File 100-93-2

**Note:** This item was continued at the February 10, 1993 Budget Committee meeting.

1. This item is a hearing is to consider the Controller's report of February 4, 1993 pertaining to the projected financial condition of the City and County which shows a projected deficit of $5.5 million for Fiscal Year 1992-93 if no action is taken to correct the situation.

2. The Budget Committee continued this item and requested that the Mayor's Office present to the Committee the fiscal plan to resolve the projected deficit of $5.5 million and to report on the status of the pending supplemental appropriation requests and the priority of such requests which are presently being held by the Controller. The Committee also requested the Controller to report on his recommendation as to the advisable level of the City's General Fund Reserve, given the projected deficit of $5.5 million and the pending supplemental appropriation requests.

3. Mr. Ed Harrington, City Controller, states that the City's General Fund Reserve should contain a minimum balance of $3 million for the remainder of Fiscal Year 1992-93 and that a greater amount would allow the City to respond to additional fiscal issues that may arise. As previously reported, the Controller, the Mayor's Budget Directors and the Budget Analyst have recommended that a $10 million General Fund Reserve be established in the City's budget for Fiscal Year 1993-94.

4. Ms. Teresa Serata of the Mayor's Office states that the Mayor's Office is currently analyzing the City's current fiscal situation. As of the writing of this report, a plan to resolve the $5.5 projected deficit for Fiscal Year 1992-93 has not been finalized by the Mayor's Office.

Item 9 - File 100-93-3

This item is a motion authorizing and directing the Clerk of the Board of Supervisors to file with the Controller the budget estimates for Fiscal Year 1993-94 for the Department of the Board of Supervisors. A copy of this proposed budget is contained in the Board's file.

## Comment

Upon analysis and approval by the Mayor, the estimated departmental budget for Fiscal Year 1993-94 for the Department of the Board of Supervisors, along with the estimated departmental budgets for all other City Departments, will be incorporated into the Mayor's proposed 1993-94 budget which will be submitted to the Budget Committee for analysis and final approval of the Board of Supervisors. The Budget Analyst will report to the Budget Committee his findings and recommendations on the Board's budget together with all of the other City departmental budgets during the Budget Committee's annual review of the 1993-94 Mayor's recommended budget for the City and County.

Harvey M. Rose

cc: Supervisor Migden
Supervisor Hsieh
Supervisor Shelley
President Alioto
Supervisor Achtenberg
Supervisor Bierman
Supervisor Conroy
Supervisor Hallinan
Supervisor Kaufman
Supervisor Kennedy
Supervisor Maher
Clerk of the Board
Chief Administrative Officer
Controller
Teresa Serrata
Barbara Kolesar
Ted Lakey

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2/24/93

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MEETING OF
BUDGET COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

WEDNESDAY, FEBRUARY 24, 1993 - 2:00 P.M. ROOM 228, CITY HALL

PRESENT: SUPERVISORS MIGDEN, HSIEH, SHELLEY

CLERK: KAY GULBENGAY

NOTE: Copies of the Budget Analyst's Report will be available for review on the counter in the Office of the Clerk of the Board, Room 235, City Hall, 10:00 a.m., the date of the meeting.

1. File 79-92-3.1. [Release of Funds] Requesting release of reserved funds, Mayor's Office of Community Development, in the amount of $86,359, public service funding for the Mayor's Office of Children, Youth and Their Families. (Mayor's Office of Community Development)
(Continued from 2/10/93

ACTION: Hearing held. Continued to call of the chair.

2. File 101-92-36. [Government Funding] Ordinance appropriating $100,000, Mayor's Office - OCD, for permanent salaries and related mandatory fringe benefits, other services and equipment purchase, for the creation of two positions; companion measure to File 102-92-15. RO #92155
(Controller)
(Continued from 2/10/93)

ACTION: Hearing held. Tabled.

3. File 102-92-15. [Public Employment] Ordinance amending Annual Salary Ordinance, 1992-93, Mayor's Office, reflecting the addition of two positions (Classification 9736 Staff Assistant II, Special Project)
(Civil Service Commission)
(Continued from 2/10/93)

ACTION: Hearing held. Tabled.

4. File 101-92-37. [Government Funding] Ordinance appropriating $170,474,898, Airports Commission, for various capital improvement projects. RO #92148
(Controller)

ACTION: Hearing held. Recommended.

5. File 101-92-38. [Government Funding] Ordinance appropriating $25,000,000, Airports Commission, for various capital improvement projects (Advance - Future Annual Service Payment) and rescinding $25,000,000 from capital improvement project (Groundside Improvements). RO #92165 (Controller)

   ACTION: Hearing held. Recommended.

6. File 101-92-39. [Government Funding] Ordinance appropriating $27,373,875, Airports Commission, for various capital improvement projects. RO #92166 (Controller)

   ACTION: Hearing held. Recommended.

7. File 101-92-41. [Government Funding] Ordinance appropriating $320,545, District Attorney - Family Support Bureau, for permanent salaries-miscellaneous and related mandatory fringe benefits, telephone and services of other departments-City Mail Services. RO #92146 (Controller)

   ACTION: Hearing held. Recommended.

8. File 27-93-1. [Airport-Rates and Charges] Resolution making a finding that the revised schedule of rates and charges for outdoor aircraft storage established by the Airports Commission will be sufficient to pay for maintenance and operation expenses of the Airport and will not require any tax subsidy; companion measure to File 27-93-1.1. (Airports Commission)

   ACTION: Hearing held. Recommended.

9. File 27-93-1.1 [Airport-Rates and Charges] Resolution approving changes to the schedule of rates and charges for common use facilities at San Francisco International Airport as established by Airports Commission; companion measure to File 27-93-1. (Airports Commission)

   ACTION: Hearing held. Recommended.

10. File 128-93-1. [Hold Harmless Provision] Resolution approving a hold harmless provision for the very small quantity generator hazardous waste pilot collection program jointly operated by Sanitary Fill Company and the Chief Administrative Officer. (Supervisor Hallinan)

    ACTION: Hearing held. Recommended.

11. File 100-93-2. Hearing to consider Joint Report by Mayor, Controller, and Budget Analyst regarding the 1993-94 fiscal budget year projected revenues and expenditures. (Supervisor Migden)
    (Continued from 2/24/93)

    ACTION: Hearing held. Continued to March 3, 1993 meeting.

CITY AND COUNTY OF SAN FRANCISCO

# BOARD OF SUPERVISORS

BUDGET ANALYST
1390 MARKET STREET, SUITE 1025
SAN FRANCISCO, CALIFORNIA 94102 • TELEPHONE (415) 554-7642

February 22, 1993

**TO:** Budget Committee

**FROM:** Budget Analyst

**SUBJECT:** February 24, 1993 Budget Committee Meeting

Items 1, 2 and 3 - Files 79-92-3.1, 101-92-36 and 102-92-15

**Note:** This item was continued at the February 10,1993 Budget Committee meeting.

**Department:** Mayor's Office of Community Development (MOCD)
Mayor's Office of Children, Youth and Their Families (MOCYF)

**Items:** Item 1 - Release of Reserved Funds (File 79-92-3.1)

Item 2 - Supplemental appropriation ordinance (File 101-92-36) for Permanent Salaries, Mandatory Fringe Benefits, Other Services and Equipment.

Item 3 - Ordinance (File 102-92-15) to amend the Annual Salary Ordinance to create two new permanent (grant funded) positions.

**Amount:** $100,000

**Source of Funds:** 1993 Community Development Block Grant (CDBG) Program

**Description:** The Board of Supervisors previously authorized the Mayor's Office of Community Development to apply for, receive and expend the City's 1992 Community Development Block Grant (CDBG) entitlement from the U. S. Department of Housing and Urban Development, Resolution No. 975-92 (File 79-92-3). The 1992 CDBG grant, as approved by the Board of

Supervisors, includes a $100,000 allocation to the Mayor's Office of Children, Youth and their Families (MOCYF) for a new program in 1993 (CDBG funds are granted on a calendar year basis) entitled the Mayor's Employment Opportunities 1000 (EO 1000) Program. The goal of the EO 1000 Program is to place 1,000 youth graduates of various youth training programs into permanent jobs.

The $100,000 CDBG allocation for the EO 1000 Program includes an original estimate of $86,359 for two temporary positions to administer the EO 1000 Program and $13,641 ($100,000 less $86,359) for operating costs. The $86,359 was reserved pending Civil Service Commission review and classification of the two new temporary positions to administer the EO 1000 Program.

The Civil Service Commission has completed their review of the two new temporary positions and has classified them. Therefore, the conditions for releasing the reserve on the $86,359 have been met. However, in order to establish accountability and control over the EO 1000 Program, the Controller's Office is requiring that the two positions be amended into the Annual Salary Ordinance as grant funded positions, rather than as temporary positions and that the $100,000 allocated to the EO 1000 Program on a grant basis be reappropriated to the MOCYF's regular project budget for the salaries and operating costs.

Although the original intent of the proposed release of reserve (Item 3, File 79-92-3.1) was to provide funding for the two new temporary positions to administer the EO 1000 Program and the conditions of the reserve have been met, in any case, the reserve on the $86,359 must be released in order to effect the reappropriation of the full $100,000 required by the Controller's Office to the MOCYF budget for salaries and operating expenses.

The proposed ordinance (Item 4, File 102-92-15) would amend the 1992-93 Annual Salary Ordinance to create two new grant funded positions to administer the Mayor's EO 1000 Program as follows:

| No. | Classification | Biweekly Salary | Annual Salary |
|---|---|---|---|
| 2 | 9736 G Staff Assistant II, Special Project | $1,272 | $33,199 |

The proposed supplemental appropriation ordinance (Item 5, File 101-92-36) would fund the proposed two new grant funded positions, a portion of the MOCYF Director's salary that is

considered to be an operating cost of the EO 1000 Program and other operating expenses for the 12 month period from January 1, through December 31, 1993, as follows:

| | | |
|---|---|---|
| Personnel | | |
| Permanent Salaries- Grant Funded Positions | | |
| 2 - 9736 G Staff Assistant II (2 x $1,272 x 26.1 bwpp) | $66,398 | |
| Estimated 5% COLA[1] for 1993-94 | | |
| (2 x $1,272 x 5% x 13.0 bwpp) | 1,660 | |
| 10% of 9792 Assistant to Mayor VI[2] (Director | | |
| of MOCYF - 10% x $71,930) | 7,193 | |
| Subtotal - Permanent Salaries | | $75,251 |
| Mandatory Fringe Benefits | | 8,675 |
| Subtotal - Personnel | | $83,926 |
| Other Services | | |
| Rent (pro-ration of MOCYF | | |
| office space) and supplies | $11,234 | |
| Equipment | 4,840 | |
| Subtotal - Other Services | | $16,074 |
| Total | | $100,000 |

The Mayor's Office of Community Development currently contracts with 41 community based non-profit agencies to provide 1,712 jobs for youth. The proposed EO 1000 Program would be a separate program operated solely by the proposed two new positions to provide an additional 1,000 jobs for youth. The EO 1000 Program will focus on matching trainees of the City's numerous community-based employment agencies with existing opportunities for gainful employment with local firms.

Another objective of the EO 1000 Program is to find jobs for graduate trainees in the two Department of Social Services programs entitled Greater Avenues for Independence (GAIN) and General Assistance Training Employment Services (GATES).

The two new grant funded positions will be responsible for conducting an intensive outreach program, coordinating activities with community based agencies, recruiting employers, securing job pledges, screen prospective

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[1] MOCYF estimates that the cost of living adjustment (COLA) for the two 9736 Staff Assistant II positions will be 5 percent for FY 1993-94.

[2] The MOCYF Director would be supervising the proposed two new employees who are fulfilling the objectives of the EO 1000 Program.

applicants referred by community based agencies and referring qualified applicants to employers. According to Mr. Al Walker of the Civil Service Commission, the two new positions are entry level and will receive direct supervision from MOCYF management staff (the MOCYF Director).

**Comments:**

1. Mr. Frank Grimmelman of MOCYF advises that the MOCYF would find a substantial portion of such added job placements with large businesses located in the downtown area as the result of the EO 1000 Program and other employment programs and contacts developed by the Mayor's Office.

2. The proposed supplemental appropriation should be reduced by $10,128 from $100,000 to $89,872 to reflect that the starting date for these new positions will be March 9, 1993 and not January 1, 1993 as had been requested. The required funding for the period March 9, 1993 through December 31, 1993 (21.3 biweekly pay periods), as follows:

| | | |
|---|---|---|
| 2 - 9736 G Staff Assistant II, Special Project (2 x $1,272 x 21.3 bwpp) | $54,187 | |
| Estimated 5% COLA for 1993-94 (2 x $1,272 x 5% x 13.0 bwpp) | 1,660 | |
| 10% of 9792 Assistant to mayor VI (Director of MOCYF - 10% x $71,930) | 7,193 | |
| Subtotal - Permanent Salaries | | $63,040 |
| Mandatory Fringe Benefits | | 7,845 |
| Subtotal - Personnel | | $70,885 |
| Other Services and Equipment Purchase | | 16,074 |
| Total Funding Required | | $86,959 |
| Total Requested Funding | | 100,000 |
| Savings | | $13,041 |

3. Mr. Anthony Lincoln of MOCYF advises that the proposed EO 1000 Program is an MOCD program and not connected with the MOCYF operations. Under these circumstances, Mr. Lincoln advises that 10 percent of his time would not be used to supervise the two new employees who are fulfilling the objectives of the EO 1000 Program. Therefore the proposed supplemental appropriation ordinance should be further reduced to delete funding for the ten percent of the 9792 Assistant to the Mayor VI position at $7,193 for a total savings

of $20,234 ($13,041 from the reduction in salaries for the two new positions to reflect the correct effective date of these positions plus $7,193 deletion of the ten percent funding of the MOCYF Director's salary).

4. The EO Program, including the proposed two new positions, was previously approved by the Board of Supervisors as part of the 1993 Community Development Block Grant (CDBG) Program but funds were reserved by the Board pending Civil Service Commission review and classification of the two new positions. The Civil Service Commission has now completed this classification action, consistent with the prior reservation of funds by the Board of Supervisors.

5. Mr. Lincoln advises that MOCYF has reconsidered the need for the two additional requested administrative Staff Assistant II positions. Mr. Lincoln has advised the Budget Analyst that instead of these two administrative positions, he intends to issue a Request for Proposal (RFP) to youth employment program nonprofit agencies in order to select the most qualified agency to administer the EO 1000 Program. Therefore, the two new positions will not be required and the proposed ordinances, Items 2 and 3, Files 101-92-36 (supplemental appropriation ordinance) and 102-92-15 (amendment to Annual Salary Ordinance), should be tabled. Further, until a nonprofit agency is selected and the related cost details are known for this EO 1000 Program, the proposed release of funds currently on reserve, (Item 1, File 79-92-3.1), should continue to be reserved.

**Recommendations:** 1. Table the proposed ordinance (File 102-92-15) to amend the Annual Salary Ordinance and table the proposed supplemental appropriation ordinance (File 101-92-36) based on the representation of the Mayor's Office that the proposed EO 1000 Program will be administered by a nonprofit agency to be selected through a forthcoming RFP process.

2. Continue the requested release of reserved funds for $100,000 (File 79-92-3.1), pending the selection by the Mayor's Office of a nonprofit agency and pending the submission of the cost details on the agency's proposal to administer the EO 1000 Program.

Item 4 - File 101-92-37

**Department:** Airports Commission

**Item:** Supplemental Appropriation Ordinance for Capital Improvement Projects

**Amount:** $170,474,898

**Source of Funds:** Proceeds from bond sales, as follows:

| | |
|---|---|
| Refunding Bond Series Issue #3 | $90,760,038 |
| Refunding Bond Series Issue #4 | 79,714,860 |
| Total Source of Funds | $170,474,898 |

**Description:** The Board of Supervisors previously adopted Resolution No. 871-92 (File No. 170-92-11) on October 19, 1992, approving the issuance of up to $305,000,000 principal amount of San Francisco International Airport Second Series Refunding Revenue Bonds.

The proposed supplemental appropriation ordinance would appropriate the proceeds of Refunding Bond Series Issues #3 and #4, in the amounts of $90,760,038 and $79,714,860, respectively, for a total of $170,474,898, to refund outstanding Series E and B Revenue Bonds. Bond proceeds from Refunding Bond Series Issue #3 would refund outstanding Series E Revenue Bonds and bond proceeds from Refunding Bond Series Issue #4 would refund outstanding Series B Revenue Bonds. Included in the bond refunding transaction would be the return of existing Series E and Series B debt service reserve funds from the bond trustee. The sources and uses of funds for refunding outstanding Series E and B Revenue Bonds would be as follows:

| Sources | Issue 3 | Issue 4 |
|---|---|---|
| Net proceed from sale of refunding bonds | $90,760,038 | $79,714,860 |
| Series E and B Debt Service Reserve Funds Returned | 8,638,978 | 7,213,920 |
| Total Sources of Funds | $99,399,016 | $86,928,780 |

| Uses | Issue 3 (for Series E) | Issue 4 (for Series B) |
|---|---|---|
| Deposit to the Refunding Escrow | $91,264,946 | $76,483,156 |
| Deposit to Debt Service Fund Held by Bond Trustee | 480,310 | 415,304 |
| Deposit to the Refunding Bonds Debt Service Reserve Fund | 7,285,320 | 8,676,841 |
| Professional Service & Other Issuance Costs | 368,440 | 323,600 |
| Deposit to Series B Bond Fund (Airfield 832)[1] | 0 | 1,029,879 |
| Total Appropriation | $99,399,016 | $86,928,780 |

**Comments:**

1. According to Ms. Angela Gittens of the Airport, the prior refunding of Series E and B Bonds with Issue #4 and #3 Bonds, respectively, will result in savings of approximately $12.1 million, due to interest rate reductions of from 7.5 percent to 6.2 percent and from 6.4 percent to 6.1 percent, respectively.

2. The proposed supplemental appropriation ordinance represents technical legislation to effect fund transfers that are required to conform to the Airport's revenue bond covenants.

**Recommendation:** Approve the proposed supplemental appropriation ordinance.

[1] $1,029,879 of the Series B debt service reserve fund was originally funded from the Airport's operating fund. Upon refunding of the Series B Bonds, the Bond Trustee will return those funds to the Airport.

Item 5 - File 101-92-38

**Department:** San Francisco International Airport

**Item:** Supplemental appropriation ordinance to create an account to transfer $25 million to the General Fund as an advance of future annual service payments from the Airlines.

**Amount:** $25 million

**Source of Funds:** Airport Capital Project Funds for groundside improvements

**Description:** To offset the City's 1992-93 budget shortfall, the Mayor's Office proposed that the Airport advance $25 million of surplus funds from the Airport's Capital Improvement Fund to the City's General Fund. The Board of Supervisors approved a resolution (File 27-92-11) in December, 1992 that authorized an agreement by and between the City, the Airports Commission and the 19 airlines operating at San Francisco International Airport regarding this $25 million advance payment to the City.

The $25 million advance will be repaid to the Airport from future, annual payments of Airport concession revenues to the General Fund. Currently, the Airport is required to pay 15 percent of its gross receipts received from concession revenues to the City's General Fund. This payment is estimated at $15 million for Fiscal Year 1992-93. The annual payment from the Airport to the City of 15 percent of concession revenues is in accordance with the Airport's 1981 Lease and Use Agreement (settlement agreement).

The $25 million advance was agreed to by the 19 airlines which are signatory to the 1981 settlement agreement. The previously noted payments from Airport concession revenues to the City's General Fund are paid to the City on a quarterly basis. The $25 million advanced to the City in the 1992-93 fiscal year would be deducted from future year concession revenue payments due from the Airport to the City's General Fund. The $25 million advance is to be entirely repaid by the City after seven years, according to Ms. Angela Gittens of the Airport. Ms. Gittens advises that the impact of the repayment to the Airport is expected to diminish as Airport concession revenues increase, thereby resulting in increased concessions revenue payments from the Airport to the City's General Fund.

**Comments:**

1. In accordance with its previously approved $25 million advance agreement, the City is required to pay interest on the $25 million advance. The rate of this interest is equal to either the interest rate of the Treasurer's pooled cash investment fund, or the interest rate of the Airport bonds that are issued, whichever is higher. Establishing the interest rate in this way guarantees that the $25 million loan will earn as much for the Airport as would be earned on the funds if the Airport had not made the advance.

2. The $25 million advance from the Airport to the City is to be transferred to the City on June 30, 1993. The repayment of the advance by the City to the Airport is to be made on a quarterly basis beginning September 30, 1993. Based on an estimated interest rate of 6.5 percent, the City's General Fund will be required to repay $1,625,000 (0.065 x $25 million) in interest during FY 1993-94 or $406,250 per quarter. The quarterly payment mechanism consists of the Airport deducting an estimated $406,250 from its estimated $3.75 million quarterly concession revenue payment (one quarter of the $15 million annual payment) to the City's General Fund, so that the City will receive an estimated net amount of $3,343,750 quarterly in 1993-94 ($3,750,000 less $406,250).

3. The $1,625,000 to be paid by the City to the Airport for the first year will consist entirely of interest payments, and will not diminish the principal amount owed. In accordance with the previously approved advance agreement, the City is to begin making payments toward the principal during the second year (Fiscal Year 1994-95) of the advance agreement.

4. The $25 million advance from the Airport benefits the City because it ameliorates the large budget reductions over the balance of Fiscal Year 1992-93 that would otherwise have to have been made in order to compensate for the loss of State funding.

5. The Airport and the Controller's Office indicate that the proposed supplemental appropriation ordinance is technical legislation that is necessary in order to create an account from which to transfer the $25 million advance from the Airport to the City's General Fund.

**Recommendation:** Approve the proposed ordinance.

Item 6 - File 101-92-39

**Department:** Airports Commission

**Item:** Supplemental Appropriation Ordinance for Capital Improvement Projects

**Amount:** $27,373,875

**Source of Funds:**

| | |
|---|---|
| Interest earned on capital project funds: | |
| Airport Capital Improvement Fund (originally funded from the operating budget) | $ 6,422,067 |
| 1967 General Obligation Bonds | 42,174 |
| 1975 Series A Revenue Bonds | 220,079 |
| 1977 Series B Revenue Bonds | 363,668 |
| 1981 Series C Revenue Bonds | 1,623,661 |
| 1983 Series D Revenue Bonds | 1,785,509 |
| 1990 Series E Revenue Bonds | 4,844,057 |
| Sub-total, Interest earned | $15,301,215 |
| Federal Emergency Management Agency (FEMA) Earthquake repair reimbursement and fuel spill clean-up reimbursements from insurance proceeds | 12,072,660 |
| Total Source of Funds | $27,373,875 |

**Description:** The proposed supplemental appropriation ordinance would appropriate the unreserved fund balances shown above to restore various Airport "Cost Centers[1]" from which funds were previously used to provide funding for the following purposes: (1) repair of damage caused by the 1989 Loma Prieta earthquake and the November 18, 1988, Airport fuel spill (total of $12,072,660); and (2) funding a portion ($15,301,215) of the $25 million in capital project funds that is to be advanced to the City's General Fund by the Airport ($12,072,660 plus $15,301,215 equals $27,373,875).

[1]A Cost Center is a functional area used by the Airport to account for revenues, expenses, and debt service, including revenues and expenses for capital projects.

The proposed supplemental appropriation would restore funding to the following Airport "Cost Centers:"

| | |
|---|---|
| Airfield Area Capital Improvement Projects<br>Includes all common use landing areas, runways, taxiways, ramps, aprons, adjacent infield areas, and related support facilities. | $27,111,622 |
| Terminal Area Capital Improvement Projects<br>Includes all areas within the terminal complex, including concourses, boarding areas, pedestrian bridges, tunnel lobbies to garages, central plant and boiler rooms, lobbies, offices, Airport Commission facilities, baggage facilities, and storage areas. | 262,253 |
| / | |
| Total | $27,373,875 |

**Comments:**

1. The Board of Supervisors approved a resolution (File 27-92-11) in December, 1992, that authorized an agreement by and between the City, the Airports Commission and the 19 airlines operating at San Francisco International Airport regarding a $25 million advance payment to the City. Item 5, File 101-92-38 of this report is a supplemental appropriation ordinance to create an Airport account to facilitate the transfer of the $25 million advance from the Airport's capital improvement projects to the City's General Fund. $15,301,215 of the proposed $27,373,875 supplemental appropriation request, from unexpended Airport interest income, would be used to restore funds to Airport capital improvement project cost centers that had been previously used as the source for $15,301,215 of the total $25 million advance.

2. The remaining $12,072,660 from FEMA and insurance reimbursements ($27,373,875 less the $15,301,215 used as part of the $25 million advance) of the proposed supplemental appropriation request would be used to restore funds to Airport cost centers that were previously used to fund emergency projects performed by the Airport under the provisions of Section 6.30 of the City's Administrative Code for earthquake repairs and fuel spill cleanup.

**Recommendation:** Approve the proposed supplemental appropriation ordinance.

Item 7 - File 101-92-41

**Department:** District Attorney
Family Support Bureau

**Item:** Supplemental appropriation ordinance for Permanent Salaries - Miscellaneous and related Mandatory Fringe Benefits, Telephone and Services of Other Departments - City Mail Services

**Amount:** $320,545

**Source of Funds:** New State and Federal Aid for Child Support Enforcement

**Description:** Under the provisions of SB 1503 the State has appropriated $10 million to California counties for "creative and innovative ideas" relative to the Child Support Enforcement Program. Pursuant to the provisions of SB 1503, the State funds are to be used for new projects that will increase the recovery of welfare aid paid to the families of absent parents. (When the Family Support Bureau receives a payment from an absent parent for child support, part of the payments are turned over to the State as a partial recovery of the State's cost of welfare aid to the family of the absent parent.) The State's intent is to both explore new methods for increasing the recovery of welfare aid and to actually increase the amount recovered. Ms. Edwina Young, Director of the Family Support Bureau, estimates that the City should receive approximately $400,000 in revenue as a result of the proposed new six-month program. The Controller's Office has certified new revenues in the amount of $320,545 as the source for the proposed supplemental appropriation ordinance.

The Family Support Bureau proposes a new program for a six-month period to conduct focused reviews of existing case files in order to update and increase child support payment levels based on changes in the earning and financial status of the absent parents. Project staff will take necessary legal actions to modify (increase child support payment levels) a minimum of 3,000 child support court orders by October 13, 1993, as required by recently (December, 1992) enacted federal regulations. (The new Federal regulations were enacted subsequent to SB 1503 but pertain to the same subject.)

The proposed supplemental appropriation ordinance would fund the new program for six months, as follows:

| | |
|---|---|
| Permanent Salaries-Miscellaneous | $254,331 |
| Mandatory Fringe Benefits | 56,214 |
| Telephone | 4,960 |
| Services of Other Departments-City Mail Services | 5,040 |
| Total | $320,545 |

The proposed new program would not fund new positions but instead would increase the existing, approved District Attorney's 1992-93 budget by putting new money into positions that are being intentionally kept vacant in order to achieve Salary Savings. The Controller's Office indicates that new employees can be hired into the existing positions on a temporary basis. The Family Support Bureau proposes to fill nine existing vacant positions previously authorized by the Board of Supervisors. These nine positions which would be filled a temporary basis are as follows:

| | | |
|---|---|---|
| 1 | 8180 Principal Attorney | $49,068 |
| 2 | 8178 Senior Trial Attorney | 40,364 |
| 6 | 8176 Trial Attorney | 164,899 |
| 9 | Total Permanent Salaries-Misc. | $254,331 |

**Comments:**

1. Ms. Young indicates that based on the enactment of SB 1503, the Family Support Bureau initially formulated the proposed new program. With the subsequent enactment of the new federal regulations, Ms. Young indicates that the proposed new program will also enable the City to comply with requirements of the new Federal regulations to update all cases that have not been updated for over three years.

2. As previously noted, the proposed new program does not result in the addition of any new positions and the nine staff persons that will be hired for the program to fill the existing vacant positions will be hired on a temporary basis.

**Recommendation:** Approve the proposed supplemental appropriation ordinance.

Items 8 and 9 - File - 27-93-1 and 27-93-1.1

**Department:** San Francisco International Airport

**Item:** Resolution finding that the schedule of rates and charges for outdoor (not in a hanger) aircraft storage established by the Airports Commission effective March 1, 1993 will be sufficient to pay for maintenance and operation expenses of the Airport and will not require any tax subsidy (File 27-93-1).

Resolution approving changes to the schedule of rates and charges for common use facilities at San Francisco International Airport as established by the Airports Commission (File 27-93-1.1).

**Description:** The proposed resolutions concern the establishment of increased aircraft storage rates for general aviation and commercial aircraft. The Airport last increased aircraft storage fees on July 1, 1986. The proposed fee increases are scheduled to take effect on March 1, 1993.

The proposed hourly outdoor aircraft storage rates for both general aviation and commercial aircraft are based on the weight of the aircraft. The current fee schedule and the proposed fee schedule effective March 1, 1993, for the outdoor storage of general aviation and commercial aircraft, are as follows:

| Maximum Weight | First 8 Hours Or Fraction Thereof | | Each Additional 8 Hours or Fraction Thereof | | Monthly Rate | |
|---|---|---|---|---|---|---|
| **General Aviation Aircraft** (private planes) | | | | | | |
| | Current | Proposed | Current | Proposed | Current | Proposed |
| 0 - 5,000 lbs | $8 | $12 | $2 | $2 | $68 | $85 |
| 5,001 - 10,000 | 8 | 12 | 2 | 2 | 99 | 124 |
| 10,001 - 15,000 | 11 | 15 | 3 | 3 | 132 | 155 |
| 15,001 - 26,000 | 11 | 15 | 4 | 4 | 165 | 194 |
| 26,001 - 50,000 | 12 | 17 | 5 | 5 | 198 | 233 |
| 50,001 - 75,000 | 14 | 19 | 5 | 5 | 231 | 271 |
| 75,001 - 150,000 | 18 | 23 | 8 | 9 | 329 | 387 |
| 150,001 & over | 30 | 38 | 14 | 16 | 591 | 694 |

| Maximum Weight | First 8 Hours Or Fraction Thereof | | Each Additional 8 Hours or Fraction Thereof | | Monthly Rate | |
|---|---|---|---|---|---|---|
| **Commercial Aircraft** (commercial cargo carriers) | | | | | | |
| | Current | Proposed | Current | Proposed | Current | Proposed |
| 0 - 5,000 lbs | $8 | $85 | $2 | $20 | $68 | $1,300 |
| 5,001 - 10,000 | 8 | 85 | 2 | 20 | 99 | 1,300 |
| 10,001 - 15,000 | 11 | 85 | 3 | 20 | 132 | 1,300 |
| 15,001 - 26,000 | 11 | 85 | 4 | 20 | 165 | 1,300 |
| 26,001 - 50,000 | 12 | 85 | 5 | 20 | 198 | 1,300 |
| 50,001 - 75,000 | 14 | 85 | 5 | 20 | 231 | 1,300 |
| 75,001 - 150,000 | 18 | 85 | 8 | 20 | 329 | 1,300 |
| 150,001 - 165,000 | 30 | 85 | 14 | 20 | 591 | 1,300 |
| 165,001 & more | 30 | 85 | 14 | 20 | 591 | 1,460 |

**Comments:** 1. According to Mr. John Martin of the Airport, the proposed schedule of storage rates, plus the Airport's other existing rates and charges will be sufficient to cover the Fiscal Year 1992-93 Airport total operating costs and therefore a tax subsidy from the City's General Fund will not be necessary for 1992-93. Mr. Martin advises that the Airport's operating costs for 1992-93 total approximately $200 million which will be covered by $100 million in concession revenues, $52 million in landing fees and airline terminal rentals, $9 million in the resale of utilities and $39 million in airline rentals outside of the terminal.

2. According to Mr. Marcus Perro of the Airport, the current fee schedule generates approximately $64,000 annually in revenues from the outdoor storage of general aviation and commercial aircraft. Mr. Perro advises that the proposed increase in outdoor aircraft storage fees will generate an additional $36,000 annually for a total of $100,000, or a 56 percent increase, in annual revenues. Mr. Perro advises that from the total annual amount of $100,000, approximately $76,696 (77%) of outdoor storage revenues would be attributed to the storage of general aviation aircraft and approximately $23,304 (23%) of outdoor storage revenues would be attributed to the storage of commercial aircraft. The Budget Analyst concurs with the Airport's calculations of the increase in revenue resulting from the proposed rate increases.

3. According to Mr. Martin, the Airport has not increased outdoor aircraft storage rates since July 1, 1986. The proposed increase in storage rates represents an average increase of approximately 20 percent in general aircraft storage compared to 1986 rates. The proposed increase in storage rates for commercial aircraft storage represents an average increase of approximately 700 percent as compared to 1986 rates. Mr. Martin states that the proposed increase for outdoor storage rates is to partially recover the costs associated with the rental value of the land, the debt service expense of pavement, and maintenance of pavement. Mr. Martin advises that additional increases will be proposed in the future, subject to approval

of the Board of Supervisors. According to Mr. Martin, although the costs directly associated with outdoor storage of aircraft will not be fully recovered through storage fees for three more years, no General Fund subsidy is necessary because the Airport's revenues for landing fees are sufficient to compensate for the excess of storage costs over storage revenues.

4. Mr. Martin advises that even with the significantly higher proposed increases for commercial aircraft (averaging approximately 700 percent), the proposed monthly storage rates for commercial aircraft at San Francisco International Airport would still be lower than rates charged by comparable airports. Mr. Martin provided the following monthly outdoor commercial aircraft storage rates for five comparable airports:

| Airport | Monthly Rate |
|---|---|
| Washington National | $2,300 |
| JFK | 2,196 |
| La Guardia | 2,196 |
| Dallas | 915 |
| Los Angeles | 1,738 |
| **San Francisco** | **1,300 (proposed)** |

5. Mr. Martin reports that the adoption of the proposed outdoor storage fees for general aviation and commercial aircraft will not affect the Airport's expected advance of concession revenues to the City's General Fund. Mr. Martin advises that revenues generated through such storage fees are not considered concession revenues under the existing Lease and Use Agreement.

**Recommendation**: Approve the proposed resolutions.

Item 10 - File 128-93-1

**Department:** Chief Administrative Officer (CAO)

**Item:** Resolution approving a hold harmless provision for the Very Small Quantity Generator Hazardous Waste Pilot Collection Program jointly operated by the Sanitary Fill Company and the Chief Administrative Officer.

**Description:** The CAO reports that the California Health & Safety Code, Section 25158.1, permits local governments which operate household hazardous waste collection programs, and persons operating household hazardous waste collection programs under agreement with local governments, to accept hazardous waste from Very Small Quantity Generators (VSQGs). VSQGs are businesses that generate less than 100 kilograms of hazardous waste materials in a month.

The Sanitary Fill Company has been operating a household hazardous waste collection facility in the City since 1988 and has recently submitted a Notice-of-Intent to the State Office of Permit Assistance for the expansion of this facility. The proposed facility expansion would include the establishment of a permanent VSQG Collection Program.

The CAO believes that a VSQG hazardous waste collection program will help to minimize the amount of hazardous waste materials contained in the solid wastes that go to the Altamount Landfill for disposal. In order to assist in the design of the proposed permanent VSQG Collection Program, the CAO entered into an agreement with the Sanitary Fill Company for a pilot project, which entailed the collection of hazardous waste materials from VSQGs, on three separate days in 1992, at the Sanitary Fill Company's household hazardous waste collection facility. The CAO advises that over the three day period a total of 2,232 gallons of hazardous waste materials, 450 pounds of asbestos, and 117 aerosol cans were collected from 139 participating businesses. According to the CAO, 65 percent of the participating businesses asked to have at least one day a month set aside for VSQG hazardous waste collection.

The CAO is now proposing to enter into an amended agreement with the Sanitary Fill Company to provide for the collection of hazardous waste materials from VSQG on three additional days, at the Sanitary Fill Company's household hazardous waste collection facility. The CAO advises that the three additional days would provide further opportunity for gathering additional information to assist in the development of the permanent VSQG Collection Program. The amended

agreement outlines the procedures that the Sanitary Fill Company must follow in receiving and handling hazardous waste materials from VSQGs. It also provides that the City agrees to be responsible for and holds Sanitary Fill Harmless from the perpetual liability associated with the disposal of the hazardous waste collected from VSQGs. The amended agreement contains the following provisions:

1. The City agrees that for the additional three days in which hazardous waste materials are collected from VSQGs, the City would accept responsibility and liability for this hazardous waste collection as defined in applicable Federal and State hazardous waste laws.

2. The City agrees that for the additional three days in which hazardous waste materials are collected from VSQGs the City would hold the Sanitary Fill Company harmless from any loss, costs, expenses, claims, penalties, fines, settlements, forfeitures and suits (including costs of defense, settlement, expert witness fees, and attorneys' fees) which arise directly or indirectly from the Sanitary Fill Company being held liable or responsible for the hazardous waste received from VSQGs, at its household hazardous waste collection facility. The exception to this provision would be those losses, costs, expenses, claims, penalties, fines, settlements, forfeitures, and suits (including costs of defense, settlement, expert witness fees and attorneys' fees) caused by the Sanitary Fill Company's failure to operate or manage the household hazardous waste collection facility in accordance with (1) the terms of the proposed amended agreement and (2) in good faith compliance with applicable State and Federal laws.

**Comment:** Ms. Elaine Warren of the City Attorney's Office reports that the proposed hold harmless agreement has been reviewed and approved as to form. Ms. Warren advises that the proposed hold harmless agreement is similar to the hold harmless provisions contained in the original VSQG agreement and the Household Hazardous Waste Facility agreement between the City and Sanitary Fill Company. Both of these hold harmless provisions previously were approved by the Board of Supervisors.

**Recommendation:** Approval of the proposed resolution is a policy matter for the Board of Supervisors.

Item 11 - File 100-93-2

**Note:** This item was continued at the February 17, 1993 Budget Committee meeting.

1. This item is a hearing is to consider the Controller's report of February 4, 1993 pertaining to the projected financial condition of the City and County which shows a projected deficit of $5.5 million for Fiscal Year 1992-93 if no action is taken to correct the situation.

2. The Budget Committee continued this item and requested that the Mayor's Office present to the Committee its fiscal plan to resolve the projected Fiscal Year 1992-93 deficit (previously estimated at $5.5 million) and to report on the status of the pending supplemental appropriation requests and the priority of such requests which are presently being held by the Controller. Additionally, the Committee requested that the Mayor's Office advise the Committee on any preliminary information available regarding the formulation of the forthcoming Fiscal Year 1993-94 budget.

3. Ms. Teresa Serata of the Mayor's Office states that she has not completed her analysis as of the writing of this report and that she will make her report directly to the Budget Committee at the hearing on February 24, 1993.

Harvey M. Rose

cc: Supervisor Migden
Supervisor Hsieh
Supervisor Shelley
President Alioto
Supervisor Achtenberg
Supervisor Bierman
Supervisor Conroy
Supervisor Hallinan
Supervisor Kaufman
Supervisor Kennedy
Supervisor Maher
Clerk of the Board
Chief Administrative Officer
Controller
Teresa Serata
Barbara Kolesar
Ted Lakey